



Budget 2017 – Cultural Industries

Briefing note – March 23, 2017

Finance Minister Bill Morneau delivered the second Liberal government budget of their mandate yesterday. For the arts and culture sector, significant new funding is available for facility construction, renovation and the acquisition of equipment (under the Canada Cultural Space Fund), and a commitment to maintain the substantial new funding outlined for the sector in 2016. Budget 2017 also outlined that consultation will again be king, with government outreach efforts focussed on intellectual property and a digital innovation strategy, joining the legislative review of copyright in a busy landscape.

Government Investments in Arts and Culture

To paint a clearer picture, here is an updated list of all the **new** government investments outlined for the sector in both Budget 2016 and 2017:

Investments in Canadian Arts and Culture (millions of dollars)						
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total
Canadian Broadcasting Corporation/ Radio-Canada	150.0	150.0	150.0	150.0	-	675.0
Canada Council for the Arts	75.0	110.0	145.0	180.0	-	550.0
Telefilm Canada	5.0	5.0	5.0	5.0	-	22.0
National Film Board of Canada	3.0	3.0	3.0	3.0		13.5
Showcasing Canada's Cultural Industries to the World	25.0	-	-	-	-	25.0
Supporting National Museums	18.1	18.1	18.1	18.1	-	72.4
Canada Cultural Spaces Fund	84.4	30	30	30	30	204.4
National Historical Sites	10.0	-	-	-	-	10.0
National Arts Centre	76.9	-	-	-	-	76.9
Canada Science and Technology Museum	87.9	22.9	-	-	-	110.8
National Gallery of Canada	8.6	-	-	-	-	8.6
Community Education Infrastructure	-	4	4	4	8	20
Enabling Accessibility Fund	-	8	8	8	8	31
Bilateral Agreements with Provinces and Territories for Cultural and Recreational Infrastructure	-	50	50	50	50	200
Total Investments -- Arts and Culture	573.9	401.0	413.1	448.1	96.0	2,019.6

In Depth

Canada Cultural Spaces Fund

To construct, renovate and better equip the creative spaces and hubs that will be home to the next generation of artists and innovators, Budget 2017 proposes to provide \$300 million over 10 years to the Canada Cultural Space Fund. This investment will help the development of Canadian talent, and support entrepreneurialism in the arts and cultural communities.



This new investment will bring artists, cultural entrepreneurs and organizations together in shared spaces where they can collaborate and take their ideas to new heights. The new investment in the Canada Cultural Spaces Fund will be focused on the construction, renovation and equipment needs of creative spaces/hubs, which will help drive growth in Canada's creative economy – Budget 2017

The most significant investment in the sector came via the CCSF, which will begin in 2018-19, and increase the allotment to \$60 million annually. This funding is in addition to the \$168.2 million included in Budget 2016. To enhance this investment, the government will provide an additional \$1.3 billion to provinces and territories through integrated bilateral agreements, on a base plus per capita allocation. This investment is expected to be delivered through the second phase of social infrastructure funding.

With a ten-year funding window, the focus in the CCSF program will shift from more “shovel-ready” projects to allow arts and culture organizations to plan their expansion and facility needs over time. As the cost of feasibility studies are included under this funding program, there are significant opportunities to chart a new infrastructure course, in regards to both facility improvements and equipment acquisitions.

Additional funding is also available through the Enabling Accessibility Fund (an additional \$77-million over ten years) to improve the safety and accessibility of community spaces and workplaces. Eligible projects include constructing and renovating infrastructure (ramps, door openers, accessible washrooms etc.), providing accessible information and communications technologies and retrofitting vehicles.

Innovation and the Internet

For its part, the Government believes in an open and transparent Internet environment that emphasizes freedom – freedom to innovate, freedom to connect with others, and freedom of discussion.

This is a future that must include Canada's creative entrepreneurs and cultural leaders, who are essential to building and inclusive and innovative Canada. From advertising and design to television and film to fashion and publishing, Canada's creative industries are facing rapid and disruptive change, including the shift to online technologies, the push for new business models, and increased competition due to globalization. Along with these risks comes the opportunity for Canada – and its creative sector – to lead the way in creating new experiences, new technologies and new, well-paying jobs for Canadians. – Budget 2017

Innovation was the “buzz word” of Budget 2017, however, when it came to allocating funding dollars, only some agri-food and clean technologies were in the mix. For the digital frontier, where most arts and culture organizations would find a natural alignment, it is more of a wait and see approach.

The Government is committing to outlining a new approach to growing the creative sector over the next year – “one that is focussed on the future, and on bringing the best of Canada to the world, rather than a protectionist stance that restricts growth and limits opportunities.” A correlation can be made to the Cultural Export Strategy, outlined in Budget 2016, the details of which are expected to be brought forward by the department in the coming weeks.

The Government is also proposing to review and modernize the *Broadcasting Act* and the *Telecommunications Act*, including:

- Telecommunications and content creation in a digital age
- Net neutrality and cultural diversity
- Strengthening the future of Canadian media and
- Canadian content creation

Canadian Heritage Minister Melanie Joly will be making a speech at the C2 Montreal conference in May, around the theme of “seizing the potential of new markets.” Additional details on these new initiatives may very well be launched from this platform.

Intellectual Property Strategy

In recognition of the importance of a well-functioning intellectual property regime, Budget 2017 announces the Government will develop a new intellectual property strategy over the coming year. The strategy will help ensure



that Canada's intellectual property regime is modern and robust and support Canadian innovations in the 21st century – Budget 2017

The timing of this strategy, in the same year as a legislative review of the *Copyright Act*, will be very interesting as the two initiatives could be very complementary. It is important to remember that the copyright review will be undertaken by a Parliamentary committee and may focus more on the impacts of C-11 over the past five years. If the IP strategy, initiated by the federal government, is more forward-looking towards a framework that supports innovation, this could provide a significant roadmap towards possible legislative changes to the *Copyright Act* in 2018.