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Canada

Intersections:

Updates from the cultural landscape

Cultural Affairs Sector
2008-2009 Annual Report

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Updates from the cultural landscape

Cultural Affairs Sector
2008-2009 Annual Report

The Cultural Affairs Sector also reports annually through the Department of Canadian Heritage's Departmental Performance Report (DPR). Discrepancies may exist between this report and the 2008-2009 DPR because this report contains more up-to-date information.

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Letter from the Minister

As Minister of Canadian Heritage I am continually exposed to the richness and breadth of this country's arts and culture—both in traditional forms and new ones shaped by today's digital technologies.

The Government of Canada is committed to supporting the vital diversity of Canadian creation. The Cultural Affairs Sector of my Department is an essential provider of that support, serving the country's creators and audiences through a range of funding programs, tax credits, policies, and legislative and regulatory frameworks.

The Sector accomplished much in each of these areas over the course of 2008-2009. As it did so, it also continued to evolve, keeping pace with changes in the arts and cultural landscape through the development of new programs such as the Canada Media Fund and Canada Periodical Fund. These reflect the changing technological and market realities of the arts and cultural industries they serve. Going forward, the Cultural Affairs Sector will carry out a larger suite of program and policy renewal and implementation focused on providing efficient, effective and responsive support of arts and culture for the benefit of all Canadians.

Arts and culture not only enrich us as people but also contribute directly to our collective prosperity. Support for arts and culture was embedded in Canada's Economic Action Plan announced in 2008-2009, testament to the important role they play in our country's economy.

Arts and culture improve our quality of life, strengthen our connections to one another, and provide us with valuable, often unique insights into who we are as a country. Our role at Canadian Heritage is to ensure that all Canadians continue to enjoy these benefits by fostering strong, vibrant and economically sustainable arts and cultural industries throughout this country.

Sincerely,

The Honourable James Moore, P.C., M.P.
Minister of Canadian Heritage and Official Languages

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2008°2009

Quick Facts

475

Number of television productions supported by the Canadian Television Fund

3.8%

Proportion of arts and culture's contribution to Canada's gross domestic product

633,200

Number of people employed in arts and culture in Canada

122,400

Number of people employed full-time by film and television production in Canada

43.3

Percentage of total television viewing time captured by Canadian programs (English-language market) on TV

64.1

Percentage of total television viewing time captured by Canadian programs (French-language market) on TV

3rd

Canada's world ranking as a video game producer

14

Number of books the average Canadian buys each year

For all bibliographical sources, please refer to page 67.

~ 500

Number of Canadian albums produced with Sector support

6th

Canada's world ranking as a market for recorded music

$488.2 million

Trade value of recorded music sales in Canada

$46 billion

Total estimated annual value of arts and culture in Canada

18.3

Average number of hours per week Canadians listen to radio

$4.7 billion

Total gross revenues for the Canadian interactive digital media industry

86

Percentage of Canadians who attended at least one arts or cultural event in 2007

141,100

Size of Canada's arts labour force

21,000 +

Number of working writers in Canada

90

Percentage of Canadians who believe community performance spaces improve quality of life

31

Percentage of Canadians who attended an ethnocultural festival, event, or performance in 2007:

183 million +

Copies of Canadian magazines and non-daily newspapers subscribed to that received help from the Publications Assistance Program

24

Percentage of Canadian Internet users who download or read a newspaper online every week or more

599

Number of festivals and arts series funded through Arts Presentation Canada

Executive Summary

Culture by its very nature is dynamic, constantly absorbing new influences and re-interpreting traditions in light of fresh realities. That dynamism is both inherent and influenced by external forces such as the advance of technology and economic change.

The Cultural Affairs Sector of the Department of Canadian Heritage helps foster an environment in which Canada's arts and cultural industries can evolve sustainably, delivering a rich, diverse offering of experiences across multiple modes and media: film, television and the Internet; recorded and broadcast music; books and magazines; live performances, exhibitions and arts events.

This report presents an overview of the Sector's work in 2008-2009, summarizing key achievements within four over-arching sub-sectors: Audiovisual, Music, Publishing and Arts. The report examines important trends affecting each area—with digital technology a key factor, and shifting audience behaviours and new, emerging priorities. Many of these priorities will be reflected in coming years as programs evolve to keep pace with change.

Caracol. *Used by permission of Indica Records Inc.*

The report at a glance

Audiovisual

After rising in 2007-2008, film and television production revenues declined slightly in 2008-2009. Interactive digital media continued to make a significant contribution to the economy. Television advertising revenues shifted from conventional services to pay and specialty alternatives. In 2008-2009, the Cultural Affairs Sector contributed to the production of more than 1,000 television shows and feature films through tax credits for Canadian content and 475 television shows through the Canadian Television Fund, helped deliver Aboriginal programming to Northern households, provided financial support for a wide range of online and digital productions and contributed to two dozen industry development initiatives for interactive media.

Music

Digital music continued to gain ground over the last fiscal year, with trade revenues amounting to $82.4 million in 2008—a 45 percent gain over the previous 12 months. CD sales fell, and overall music sales trended downward in Canada as elsewhere in the world.[1] The Cultural Affairs Sector lent its support to the production of over 500 albums by Canadian artists. The Sector helped ensure that Canadian artists reached their audiences, providing support to over 900 marketing, touring or showcasing projects. Canadian artists fared well overall last year, with performing rights royalties to creators and publishers continuing to rise.

Publishing

The publishing industry is made up of two distinct subsectors—book publishing and periodicals, respectively. Book sales grew in 2008-2009 in both English- and French-speaking Canada.[2] However, newspapers and magazines saw circulation

La Galère. *Image used by permision of Cirrus Communication.*

decline, largely due to the economic downturn and the ongoing growth of free online media. Many players took their publications to the Web, publishing digital editions and special online-only content. With the Sector's help, Canadian book publishers produced titles by some 4000 authors in English and French combined. While magazine circulation was down, profit margins were not, and magazine publishers supported by the Sector grew their margins at more than double those of the Canadian industry as a whole.[3]

Arts

The arts sector in Canada encompasses everything from contemporary dance to classical music performances, theatre and literary festivals to visual arts exhibitions and mixed media installations. While audiences shrank slightly in 2008-2009 due to the economic climate, longer-term trends show steadfast Canadian attendance at arts and cultural events and support for arts and cultural organizations. Focused on supporting artistic excellence, increasing access to the work of professional artists and helping organizations improve their business health, the Cultural Affairs Sector provided targeted support to nearly 600 arts festivals and series, 97 cultural infrastructure projects and 156 business skills development projects, in addition to supporting the training of thousands of promising young artists. Furthermore, endowments of Canadian arts organizations of $14.9 million matched more than $21 million in private-sector support for the endowments of Canadian arts organizations.

CREATE°ACCESS

*The Cultural Affairs Sector of the Department of Canadian Heritage helps cultivate the conditions for arts and cultural industries to flourish — focusing on the two critical priorities of **creation** and **access.***

Cultural Drivers

Culture strengthens communities and engages citizens. It contributes to a sense of identity and national pride. It enriches our lives and contributes to our economy. In 2007, culture in Canada generated roughly $46 billion in economic activity, amounting to 3.8 percent of the country's gross domestic product.[4] Additionally, its various industries employed more than 630,000 people,[5] with the equivalent of another 46,000 jobs arising from some 88 million hours of volunteer labour.[6] More broadly, talent and investment are drawn to the cities and towns where culture flourishes.

Culture is always evolving. Today, in Canada and elsewhere, traditional relationships between creators and consumers are shifting. New technologies are collapsing boundaries between many artistic modes and media—and at the same time giving all Canadians an increased ability to share their creativity with one another and the world.

The cultural landscape is also changing. With the world now just a mouseclick away, competition for audience attention increases exponentially, amplifying the familiar challenges associated with our proximity to—and shared market with—the world's most powerful entertainment industry. In Canada, competitive pressures are intensified by the relatively small size of our domestic market, which can make cultural production costly and complex.

For these reasons, the Government of Canada takes an active role in fostering an environment where arts and culture flourish.

Wapos Bay. *Used by permission of Wapos Bay Productions.*

Culture and the federal government

Canada, along with 93 other States and the European Commission, ratified the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions—an international agreement that re-affirms the right of governments to adopt policies in support of diverse cultural expressions.

In the spirit of that global accord, the Government of Canada maintains a comprehensive and adaptive toolkit to support arts and cultural industries. The Government provides direct funding and tax incentives, creates legislation to achieve national objectives, and operates a number of specialized federal institutions, including:

- Canada Council for the Arts
- Telefilm Canada
- CBC/Radio-Canada
- Canadian Radio-television and Telecommunications Commission (CRTC)
- Library and Archives Canada
- National Arts Centre
- National Film Board of Canada (NFB)
- National museums

The Department of Canadian Heritage and these other federal institutions work with a variety of players, including provincial and territorial governments, municipalities, non-governmental organizations and the private sector.

Federal legislation that plays a role in culture includes:

- *Department of Canadian Heritage Act*
- *Status of the Artist Act*
- *Copyright Act*
- *Investment Canada Act*
- *Canadian Radio-television and Telecommunications Commission Act*
- *Broadcasting Act*
- *Radiocommunication Act*
- *Foreign Publishers Advertising Services Act*
- *Telefilm Canada Act*
- *National Film Act*
- *Income Tax Act*

The Cultural Affairs Sector

Within the Department of Canadian Heritage, the Cultural Affairs Sector supports arts and culture in diverse and wide-ranging ways, working closely with public and private partners to:

- encourage and enable the **creation** of excellent artistic and cultural content that reflects Canada's diversity; and
- facilitate **access** to that content by domestic and international audiences.

The Sector's principal tools in these efforts are programs and policies that ensure Canadians have the opportunity to **watch**, **listen** to, **read** and **experience** artistic and cultural creations reflective of the country's imaginative, linguistic, geographical and ethnocultural diversity.

Cultural Tools

The Cultural Affairs Sector is committed to administering programs and policies that reflect and respond to the myriad forces influencing arts and culture in Canada. The convergence of technologies and blending of media, the transformation of previously linear production chains into complex networks with new business models, the ongoing discovery by Canadian artists of new ways to reach audiences in an increasingly borderless market—these and many other considerations were weighed by the Sector as it began a process of comprehensive program modernization in 2008-2009.

The ultimate outcome of that process will be felt in 2010 as revamped and streamlined programs roll out—fostering creativity, competition and the production of arts and cultural works that continue to be of the highest quality. The modernization exercise also generated a new vision focused on the many ways Canadians engage with arts and culture as citizens, consumers and creators.

Policies that span the Sector

While many of the Sector's policies are specific to particular segments of arts and culture, some apply across all modes of creation and access. Two principal policies that fall into the latter category relate to copyright and foreign cultural investment.

Copyright: Reflecting the digital reality

The effects of Canada's copyright regime ripple throughout its cultural and creative sector and directly touch the lives of the Canadian public. Canada depends on creativity and innovation to lay the foundation for both a thriving culture and a strong economy. The *Copyright Act* sets out certain economic and moral rights along with limits and exceptions for authors, performers, producers and broadcasters toward literary, dramatic, musical and artistic works, performances, sound recordings and broadcast signals.

The Ministers of Canadian Heritage and Industry share responsibility for the formulation of copyright policy. To support the Minister of Canadian Heritage,

Factoring arts and culture into the equation: Canada's Economic Action Plan
In January 2009, the Government of Canada announced its Economic Action Plan to stimulate the economy, protect Canadians during the global recession, and invest in long-term growth. The plan includes $540 million for arts, culture, heritage and associated tourism initiatives between 2009 and 2011—over $250 million of which is new funding. The targets of these investments for the Department of Canadian Heritage include cultural infrastructure, developing and celebrating artistic excellence, and supporting creative competitiveness. The consideration of arts and culture in the Economic Action Plan is testament to the important role arts and culture play in stimulating and strengthening the economy.

the Cultural Affairs Sector provides research and analysis that ensures Canada's copyright policy supports the country's social and economic objectives and conforms to international standards. The Sector also promotes Canada's copyright interests in the international arena, including at the World Intellectual Property Organization (WIPO) and during negotiations for the Anti-Counterfeiting Trade Agreement.

In today's digital environment, Canadian copyright laws must evolve to foster creativity, innovation and economic growth and to give Canadian creators and consumers the tools they need to keep Canada competitive internationally. In June 2008, the Government of Canada introduced Bill C-61, An Act to Amend the Copyright Act, which died on the *Order Paper* with the dissolution of Parliament for a general election. The Government re-affirmed its commitment to modernize Canada's copyright laws in its Speech from the Throne in November 2008. Canadian Heritage continues to work, in coordination with Industry Canada, toward amending the *Copyright Act*.

Foreign cultural investment: Making the world a partner in culture

Foreign investors can be important partners in the production and marketing of Canadian cultural products. Through the *Investment Canada Act,* the Sector ensures that foreign investments in Canada's film, music and publishing industries benefit Canadian artists and consumers.

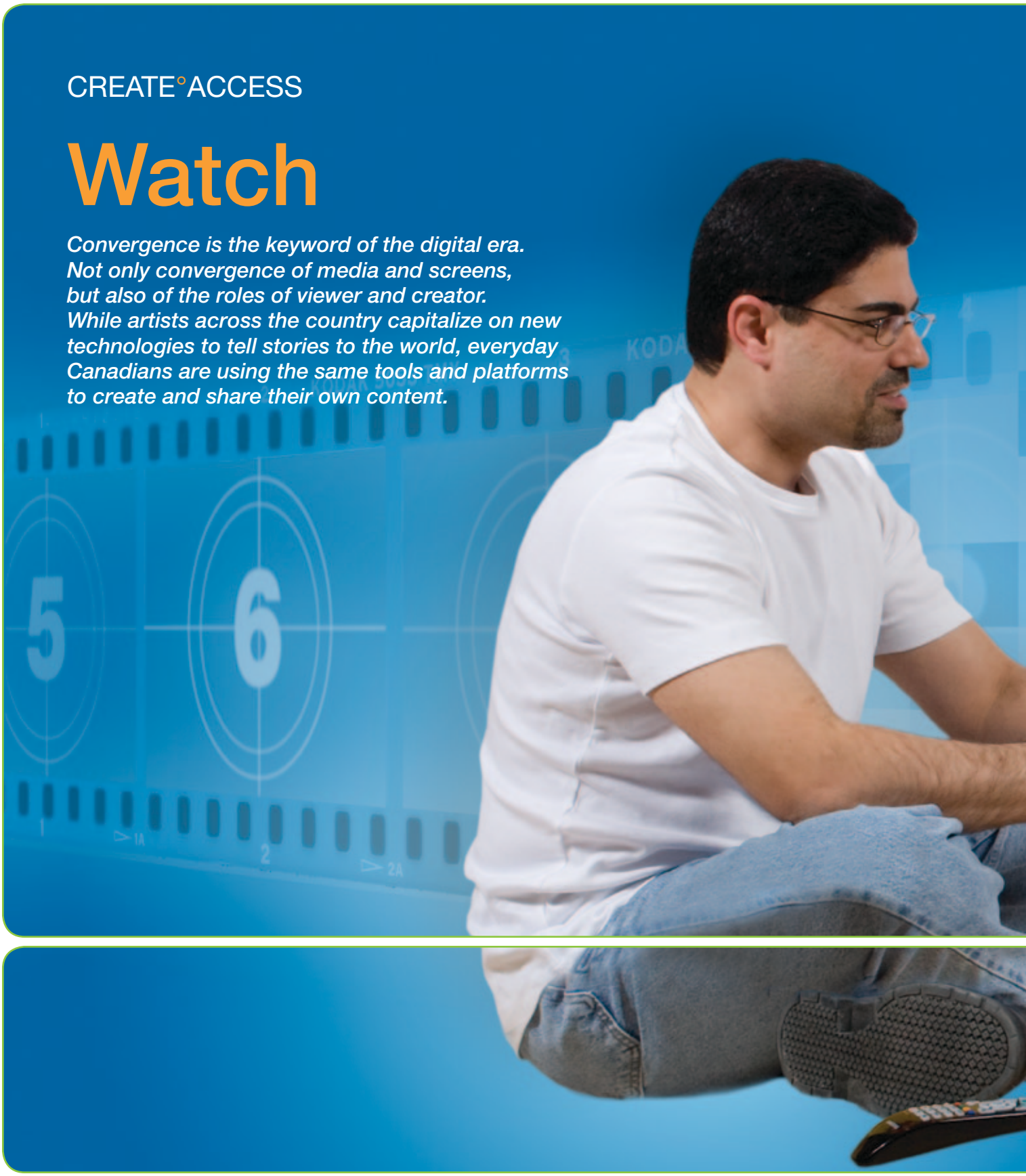
In 2008-2009, the Sector assessed 31 proposals from prospective foreign investors. These investors made commitments to create jobs across Canada, to support collaborative research and innovative artist development programs, and to raise the profile of Canadian cultural products. In addition to negotiating these new commitments, the Sector monitored 48 previously approved investments to ensure they continued to generate positive benefits for Canadians.

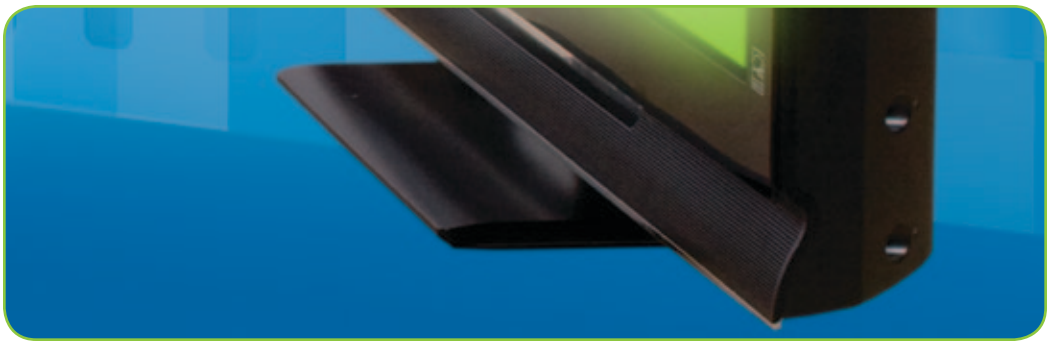
The Government of Canada established a Competition Policy Review Panel in 2007 to examine Canada's competition policies and its framework for foreign investment. In keeping with the Panel's major recommendations, Parliament amended the *Investment Canada Act* in March 2009 to increase the efficiency and transparency of administration. The Panel also recommended that the Minister of Canadian Heritage conduct a review every five years of cultural industry policies, including foreign investment restrictions.

CREATE°ACCESS

Watch

Convergence is the keyword of the digital era. Not only convergence of media and screens, but also of the roles of viewer and creator. While artists across the country capitalize on new technologies to tell stories to the world, everyday Canadians are using the same tools and platforms to create and share their own content.





***Sarah Gadon from The Border**.*
Image used by permission of White Pine Pictures.

Perspective: Audiovisual

The Canadian audiovisual sector comprises the film, television, interactive digital media and broadcasting industries, which have been historically separate but, because of digital technology, are today increasingly converged. Each is home to creators, aggregators and infrastructure providers—the individuals and organizations engaged in developing content, distributing it, and maintaining the networks and systems on which distribution depends.

As in other segments of the cultural landscape, Canadians are turning to online and mobile formats for their audiovisual entertainment, although traditional platforms of television, movie theatres and DVDs remained the dominant revenue-generating mediums in 2008-2009.[7] Forty-one percent of Canadians with online connectivity have watched a television show on the Internet, and half of these are regular online viewers who watch at least once weekly.[8] Major networks such as CTV, Global and CBC/Radio-Canada are Web-streaming their top shows, and movies are also going online: in 2008 Apple iTunes began to offer Canadian customers movies for rent or purchase. That same year, films and television shows became available for download over gaming platforms such as Microsoft's Xbox 360.

In the broadcast industry, the Canadian Radio-television and Telecommunications Commission (CRTC) has set a deadline of August 31, 2011 for the transition of all Canadian over-the-air (OTA) television stations from analog to digital (DTV) signals. Thus Canadian producers, distributors and broadcasters are investing heavily in equipment to create, distribute and receive digital content—a financial challenge during the economic slowdown of 2008-2009.

www.thealgonquinway.ca.
Used by permission of Omàmiwinini Pimàdjwowin.

Launching the Canada Media Fund

To support the country's audiovisual industries amid challenging economic conditions and rapid technological change, the Minister of Canadian Heritage announced in 2009 the creation of the Canada Media Fund, which comes into effect on April 1, 2010. The Fund is a program that reforms, combines and rebrands the Canadian Television Fund (CTF) and the Canada New Media Fund (CNMF). Built on a renewed partnership with industry, the Fund will assist in the creation of convergent digital content in both official languages, and leading-edge non-linear content and applications for distribution on multiple platforms. The Fund will receive $114.3 million in 2010-2011 as part of Canada's Economic Action Plan; the same amount was allocated to the CTF and the CNMF in 2009-2010. This commitment, in addition to the $20.4 million in funding from Canadian Heritage, will bring the total federal investment in the Fund to $134.7 million annually.

Industry snapshot

In 2008-2009, the volume of film and television production activity in Canada reached $5 billion—down four percent from $5.3 billion in 2007-2008.[9] Foreign location and service production shooting in Canada remained a big business with foreign and service productions in Canada totalling $1.4 billion in 2008-2009.[10]

Interactive digital media was a similarly significant contributor to the Canadian economy, producing total gross revenues of $4.7 billion[11] in 2008 and sustaining nearly 3,000 companies responsible for some 50,000 jobs across the country.[12]

Broadcasting distribution undertakings (BDUs) played a primary role in providing Canadians with access to content in 2009. The country's 224 cable companies operate 1,952 cable BDUs, two direct-to-home satellite BDUs and 21 multipoint distribution systems (MDS).[13] Combined, these serve 11.1 million subscribers—90 percent of Canadian households (of which 62 percent subscribe to digital television services).[14] In 2008-2009, all this distribution translated into $7 billion in revenues for the broadcasting industry.[15] In recent years, Internet service providers (ISPs) and Wireless service providers (WSPs) have also come to serve as prominent content deliverers.

Changes in audiovisual consumption have had an effect on advertising revenues in the broadcasting field, shifting away from private, conventional broadcasters to specialty services, such as TSN and CBC News Network. The private, conventional share of all television advertising fell from 65 percent in 2004 to 59 percent in 2008, countered by a rise among specialty channels of 24 to 30 percent.[16]

The role of the Cultural Affairs Sector

The Cultural Affairs Sector works within a complex federal system of public institutions, investment mechanisms and legislation to ensure that Canadians create and access works in a range of onscreen formats. It also liaises actively with private corporations, industry associations and not-for-profit organizations in the production, distribution and exhibition sub-sectors. With these various partners, the Sector aims to maintain a sustainable and competitive environment for the country's audiovisual industries. It develops policies and frameworks, proposes legislation, designs and administers funding mechanisms, and carries out research and economic analysis, monitoring trends to ensure its activities reflect current realities.

Success story: *Taking the laughs online*

Beyond winning the Best Comedy Award at the international Rose d'Or Festival in Switzerland, the *Rick Mercer Report*, which receives support from the Canadian Television Fund, averaged more than a million viewers per episode during the last broadcast season. Its experience continues online: full episodes and clips can be viewed at cbc.ca and on YouTube. Fans follow Mercer's blog and participate in his photo challenge at rickmercer.com and follow him on Facebook, Twitter and MySpace.

The Department of Canadian Heritage advises the federal government on broadcasting and digital communications policy according to the *Broadcasting Act*, ensuring that Canadian programming is created, and that Canadians have access to it on multiple platforms. Cultural Affairs Sector policy activities and programs create the conditions for a strong, innovative, competitive broadcasting system and digital communications sector. The Sector also provides advice to help maintain alignment between the Government's public policy objectives and the roles of the country's national broadcaster (CBC/Radio-Canada) and regulator (CRTC)—helping ensure the needs of Canadians as citizens, consumers and creators are met.

The Canadian Feature Film Policy (CFFP) is the guiding federal policy for the feature film sector. Through the Canada Feature Film Fund—the chief instrument of the policy—Telefilm Canada supports the development, production and marketing of compelling and distinctively Canadian feature films. Other activities under the policy include film preservation activities through Library and Archives Canada, and support for emerging film artists through the Canada Council for the Arts. The main goal of the CFFP is to increase the audience for Canadian productions—with the specific target of a 5 percent share of the domestic box office for Canadian films.

Highlights: 2008-2009

Funding from the Sector achieved or contributed to:

- **475** television productions through the Canadian Television Fund, resulting in **2,210** hours of original programming[17] including *Flashpoint, Mayerthorpe, Les boys* and *Taxi 0-22*.
- Over **900** television productions and more than **80** feature films with the support of tax credits.
- Access by **130,000** people in Northern and remote communities to Aboriginal programs through Aboriginal Peoples Television Network (APTN).
- **292** diverse projects resulting in engaging Web sites and other digital productions, such as *Odd Job Jack (www.oddjobjack.com), Gofrette (www.gofrette.com)* and *Anash Interactive (www.anashinteractive.com)*.
- **24** initiatives, such as trade shows, training programs and market research that helped develop the interactive media industry in all regions.

Did you know?

Canadians watched an average of 26.6 hours of television per week in 2008, down slightly from 26.9 hours in 2006.[18]

Canada's Audiovisual Toolkit

LEGISLATION

- *Broadcasting Act*
- *Copyright Act*
- *Investment Canada Act*
- *Income Tax Act*
- *Telecommunications Act*
- *Radiocommunication Act*
- *Telefilm Canada Act*
- *National Film Act*
- *Canadian Radio-television and Telecommunications Commission Act*

PLAYERS

The **Department of Canadian Heritage** plays a vital role in the cultural life of Canadians, working to promote culture, the arts, heritage, official languages, citizenship and participation, and Aboriginal, youth, and sport initiatives. The Cultural Affairs Sector specifically oversees policy and programs for film and video, broadcasting and Canadian culture online.

The **Canadian Radio-television and Telecommunications Commission** (CRTC) independently regulates and supervises broadcasting undertakings and telecommunications common carriers.

Telefilm Canada develops and promotes the Canadian audiovisual industry through financial and strategic support to the film, television and digital media industries, in partnership with the Department of Canadian Heritage.

The **National Film Board of Canada** produces, distributes and promotes films that interpret Canada to Canadians and other nations.

The **Canada Council for the Arts** provides production and distribution support and funding to groups and independent collectives in the audiovisual sector.

Library and Archives Canada acquires and preserves Canadian cultural content of historical or cultural relevance, including feature films.

CBC/Radio-Canada offers, as Canada's national public broadcaster, a range of services from television and radio (traditional, Internet and satellite) to digital audio and streaming video on mobile devices.

MAJOR FEDERAL SUPPORT MECHANISMS (2008-2009)

The **Canadian Television Fund** supports the creation of high-quality Canadian television programs for broadcast during peak viewing hours.

The **Canadian Film or Video Production Tax Credit** encourages the production of Canadian film and television productions.

The **Film or Video Production Services Tax Credit** enhances Canada as a location of choice for film and video productions that employ talented Canadians.

The **Canada Feature Film Fund (Telefilm Canada)** encourages the development, production and marketing of a diverse range of Canadian feature films.

Canada's Audiovisual Coproduction Framework includes treaties signed with other countries that enable Canadian and foreign producers to pool their financial, creative and technical resources to create film and television programs while gaining access to domestic benefits in each country.

The **Canada New Media Fund** promotes the development, production and distribution of original interactive media products.

The **Canadian Culture Online Programs**, including the Partnerships Fund and the Gateway Fund, promote a distinctly Canadian presence on the Internet.

The **Canada Council for the Arts Media Arts Section** supports research, creation, production and dissemination by audiovisual artists and collectives, and festivals, travel, operating activities and equipment acquisition.

Year in review: *Create*

The Sector supports the creation and distribution of Canadian film, television and interactive digital media content through a variety of funding mechanisms. Federal partners, such as Telefilm Canada, the Canada Council for the Arts, the National Film Board of Canada, and Library and Archives Canada administer complementary programs.

Canadian Television Fund (CTF)*

A public-private partnership, the Canadian Television Fund contributes to the creation of high-quality Canadian television programs in English, French and Aboriginal languages, and helps ensure their broadcast during peak viewing hours. In 2008-2009, the Sector contributed $120 million to the CTF's $287.1 million budget, the total of which yielded the following outputs:

- 70 children's and youth projects – 634 hours
- 255 documentary projects – 735 hours
- 88 dramatic projects – 581 hours
- 45 variety and performing arts projects – 196 hours
- 17 Aboriginal productions – 67 hours

Canadians spent more time watching CTF-supported English and French television shows in 2007-2008 than during the previous two years.[19]

	Proportion of Viewing Time Occupied by CTF-funded Programming[20]	
	Type of program	**Percentage of viewing time out of all Canadian programming in that genre in peak viewing hours**
English	Children and youth programming	67%
English	Variety and performing arts	58%
English	Drama	44%
English	Documentary	20%
French	Children and youth programming	99%
French	Variety and performing arts	68%
French	Drama	54%
French	Documentary	27%

Digital Media Pilot Program

In 2008-2009, the CTF launched a $2 million Digital Media Pilot Program aimed at generating a stronger Canadian presence on new media platforms. Through this program, the CTF supported 30 projects (20 English, 10 French). Most encompassed more than one type of content: 63 percent included a game component and 60 percent included webisodes or clips. The $2 million invested by the CTF led to total investments of $7.6 million across the 30 projects supported: each dollar invested by the CTF was matched by other funds for a total investment of $3.80.[20]

Marc Labreche from 3600 secondes d'extase. *Image used by permission of Zone 3.*

Did you know?

According to Ericsson, it would take 412.3 years to watch every video posted on YouTube from start to finish.[21]

* The Canadian Television Fund concluded in 2009 2010. The Canada Media Fund, effective April 1, 2010, reforms, combines and rebrands the Canadian Television Fund and the Canada New Media Fund.

***Belle-Baie**. Image used by permision of Productions Phare-Est.*

Recognition of CTF-funded Projects at the Gemini Awards and Prix Gémeaux[23]			
Awards	**Number of projects nominated**	**Total nominations earned**	**Eligible awards received**
Gemini Awards	78	211	44
Prix Gémeaux	76	238	47
Total	**154**	**449**	**91**

Film and television production tax credits

The Canadian Audio-Visual Certification Office (CAVCO) and the Canada Revenue Agency co-administer two refundable federal tax credit programs for eligible productions:

- The Canadian Film or Video Production Tax Credit (CPTC) supports Canadian programming and the development of an active domestic independent production sector. To qualify as Canadian content under this tax credit, productions must meet specific requirements for key creative personnel, production costs and financing.
- The Film or Video Production Services Tax Credit (PSTC) encourages the employment of Canadians by taxable Canadian and foreign-owned corporations with a permanent establishment in Canada.

Did you know?

In 2006 (the latest year for which data are available), the film sector, which includes film and television production, distribution and film exhibition, represented the largest portion of total cultural exports (47% or $2.35 billion).[24]

According to the Department of Finance, the federal government projected tax credits for 2008 was $205 million under the CPTC and $130 million under the PSTC.[25]

Number of Productions, by Market and by Year, 2004-2005 to 2008-2009 (CPTC)				
Year	Television	Theatrical	Non-theatrical	Total
2004-2005	1135	66*	21*	1222
2005 2006	1129	9	16	1244
2006 2007	1121	115	25	1261
2007-2008	1035	95	19	1149
2008-2009	948**	80**	12**	1040**

Source: CAVCO. All data are as of December 21, 2009.

Number of Productions, 2004-2005 to 2008-2009 (PSTC)	
Year	Productions
2004-2005	173
2005-2006	203
2006-2007	171
2007-2008	170
2008-2009	124**

Source: CAVCO. All data are as of December 21, 2009.

Coproducing with other countries

The Cultural Affairs Sector is responsible for developing Canada's Coproduction Policy, which governs cooperations between Canadian and foreign producers according to treaties between the two countries. Coproductions enable Canadian and foreign producers to pool their resources, creating films and television programs that enjoy national status in each of the countries involved. Canada has treaties with 53 countries.

Coproduction Volume: 2008[26]			
Number of projects	Total volume ($ million)	Canadian contribution ($ million)	Foreign contribution ($ million)
87	427	197	230

Foreign location shooting

Canada continues to be an attractive location for foreign producers due to its pool of professional and technical talent, geography, and available support programs. Foreign location shooting plays an important role in the development of the film and television production industry in Canada, employing Canadian producers, creators and crews, and fostering knowledge and the transfer of technical skills in the industry. Canada benefits from the direct and indirect economic activity generated by foreign location shooting production, bringing significant benefits to many other sectors of the Canadian economy.

** **Note:** Theatrical includes feature films and short films identified as destined for cinemas as their first market. Non-theatrical includes educational programming, home video and direct-to-video productions destined for the non-television and non-theatrical markets.*

***** Interpreting the results***
Due to a lag between the time a production takes place and the time an application is made to CAVCO, results for the most recent year should be considered incomplete. The most recent fiscal year is, on average, about 80 percent of the actual value once all applications are received and certified.

Passchendaele. *Used by permission of Whizbank Films Inc.*

Success story: *Passchendaele*

Inspired by stories of the World War I passed down by his grandfather, writer/director/actor Paul Gross created *Passchendaele*, a film that explores a defining moment in Canadian history on the battlefield. The film won the Canadian Motion Picture Distributors Association Golden Reel Award as Canada's top-grossing film of 2008 at $4.4 million. It picked up five prizes, including Best Picture, at the 29th Annual Genie Awards.

Promoting interactivity

The Canada New Media Fund invested $12.1 million in 2008-2009 to support 124 projects by Canadian interactive producers focused on generating content for mobile phones, personal computers, game consoles and handheld devices, and for online content linked with Canadian-produced television programs. Producers matched these funds, generating an overall production volume of nearly $24 million.

Receiving recognition

Numerous initiatives supported by the Sector were recognized during 2008-2009 for their high quality, imagination and cultural value. Programs supported by the Canadian Television Fund were recognized for their excellence and originality in Canada and internationally. The mini-series *Les Lavigueur, la vraie histoire*, for example, took home nine awards at the Prix Gémeaux, Best Drama Award at the prestigious Rose d'Or Festival in Switzerland, Best Mini-Series award at the 2009 Canadian Film and Television Producers Association Indie Awards (France), silver *Festival international des programmes audiovisuels* (FIPA) awards for Best Series and Serials, and a Best Actor gold at the 2009 FIPA Awards.[27]

Did you know?

Thousands of Canadians work in the Canadian film and television production industry. In 2008-2009, the sector employed 122,400 people full-time, including 48,100 directly in film and television production.[28]

Success story: *Dignity in the wake of change*

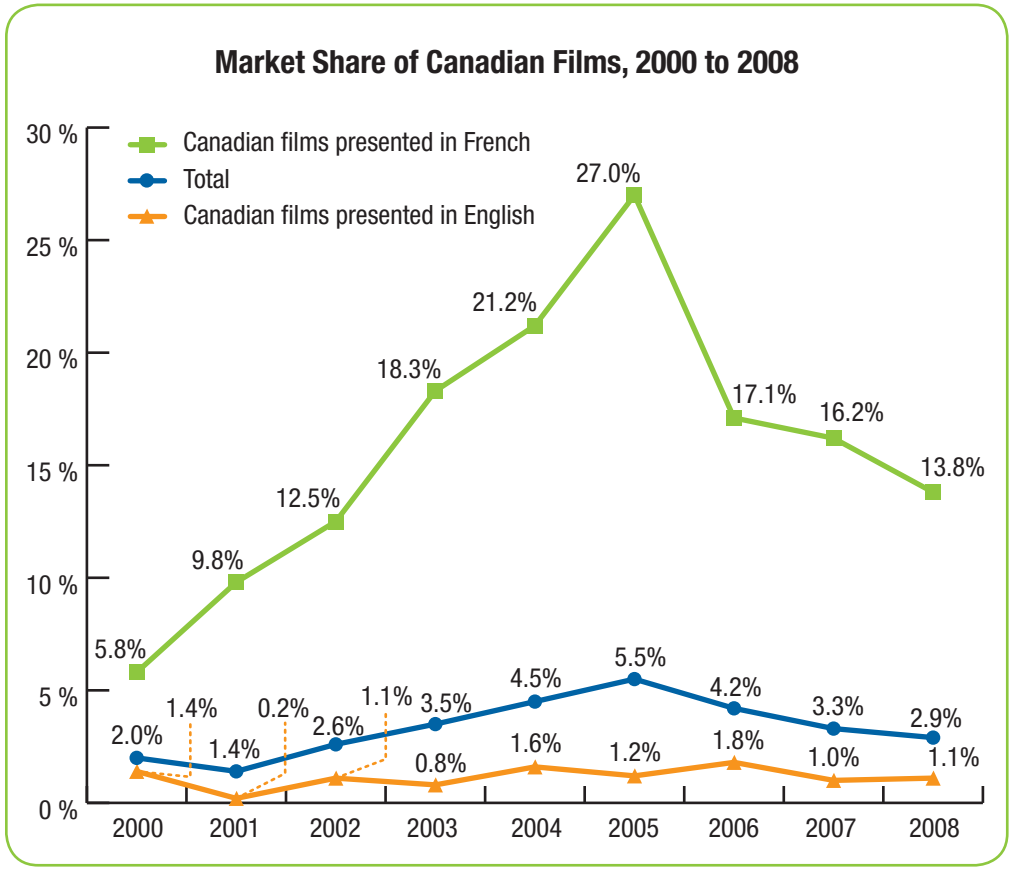
In Benoît Pilon's first feature film, *Ce qu'il faut pour vivre (The Necessities of Life)*, an Inuit hunter with tuberculosis has been relocated to a sanatorium in 1952 Quebec and must navigate a strange new terrain. Released in 2008, the film was praised by both industry and critics, with Natar Ungalaaq named Best Actor at the Genie and Jutra Awards.

Year in review: Access

Through the Minister of Canadian Heritage, the Cultural Affairs Sector advises the federal government on the roles of the national public broadcaster, CBC/Radio-Canada, and the national regulator, the CRTC. In addition, the Sector monitors policy developments, contributes to government-wide initiatives related to broadcasting, and advises on how and when to respond to CRTC decisions, make requests of the CRTC or provide policy direction.

Striving for market share

As mentioned above, the Canadian Feature Film Policy aims to grow the audience for Canadian film productions. It allocates resources for professional development for creators. It also supports the industry in fostering the quality and diversity of Canadian films. In 2008 Canada's box office market share was 2.9 percent, below the aspirational threshold of 5 percent and down slightly from the previous year's 3.3 percent.[29] The ebbs and flows of Canadian box office market share are highly dependent on the success of French-language films, which on average account for more than two-thirds of the box office revenues generated by Canadian films. In both language markets, Canadian feature films compete in an industry dominated by American blockbusters.



Source: Motion Picture Theatre Associations of Canada.

***The Necessities of Life**. Used by permission of E1 Entertainment.*

Affirming the role of CBC/Radio-Canada

In June 2008, the Government of Canada tabled its response to the Standing Committee on Canadian Heritage report, *CBC/Radio-Canada: Defining Distinctiveness in the Changing Media Landscape*. The Government re-affirmed that CBC/Radio-Canada will remain the national public broadcaster operating in English and French. It also indicated that CBC/Radio-Canada should make the best use of existing resources, which currently exceed $1 billion annually.

***Babine**. Used by permission of Cité Amérique Inc.*

In 2008-2009, the Canada New Media Fund administered by Telefilm Canada provided $1.3 million for 24 projects that helped Canadian interactive media companies access domestic and international markets. It also ensured a strong Canadian delegation at key industry events, such as Game Connection San Francisco in March 2008. Sales at this market were extremely encouraging, with 100 potential or concluded agreements for a total value of $76 million. Seven companies had closed deals on $3.6 million.

Did you know?

In 2008, Canadians aged 18 to 34 spent as much time online as they did watching TV.[30]

Success story: *Acadia 2.0*

Together with other partners, the *Université de Moncton* assembled a bilingual Web site showing that Acadian folklore, cuisine and language are alive and kicking in Canada. *Acadie Vivante* features video interviews with Acadian men and women who practice 400-year-old traditions, and with experts who put these traditions into a larger context. The site, supported by the Partnerships Fund, is geared toward Francophone and Anglophone primary students, and national and international audiences interested in learning more about one of the cultures that built Canada.

Sharing our stories

Through the Northern Distribution Program (NDP)*, the Sector provided $2.1 million to the Aboriginal Peoples Television Network (APTN) in 2008-2009 to broadcast Aboriginal programming over-the-air to approximately 130,000 people in 96 Northern and remote communities.

* The Northern Distribution Program concludes in 2010-2011.

Through the Partnerships Fund, the Sector enabled local and regional groups to put their heritage collections online for all to see; the Canadian Memory Fund helped federal partners take national collections online. Through licensing agreements, the Sector also provided Canadians with access to two authoritative sources on Canada's culture and heritage: The *Canadian Encyclopedia* and the *Dictionary of Canadian Biography Online*.

Diversity remained a priority for online content. The Gateway Fund, which helps Canadians share their stories, funded 9 projects from ethnocultural organizations and 10 from Aboriginal organizations in 2008-2009. Meanwhile, the Partnerships Fund supported 28 projects that aimed to create French-language or bilingual content, and another 11 projects that expressed the culture of Aboriginal and ethnocultural communities.

Studying diversity

In March 2009, the CRTC published its *Report to the Governor in Council on English-and French Language Broadcasting Services in English and French Linguistic Minority Communities in Canada*. The Government has taken note of the findings and recommendations, which are now serving to advance its commitments to promoting both official languages and access for Canadians to quality English and French broadcasting services across Canada.

Success story: *New moves for traditional Korean dance*

The Korean Dance Studies Society of Canada set up an interactive and educational Web site as a comprehensive source of information on traditional Korean dance and culture. The site, supported by the Gateway Fund, also had the unexpected impact of re-engaging several senior dancers and dance instructors in the company's administration, strengthening capacity for the whole organization. It has also attracted three new people to the organization's Board of Directors.

Taking advantage of new platforms

Broadcasters today are capitalizing on consumer demand for programming on alternate platforms such as video-on-demand (VOD) and the Internet. In 2008-2009, the number of CTF-funded productions distributed through alternative platforms doubled over the previous year and tripled compared to 2006-2007.[31] For many shows, the viewer experience extends beyond regular programming to Web site featuring character blogs, actor interviews, forums and webisodes.

As global online content becomes increasingly sophisticated and diverse, the Cultural Affairs Sector fosters distinctly Canadian interactive spaces in both English and French through its Canadian Culture Online initiatives. In 2008-2009, the Sector invested $42.5 million to strengthen Canada's cultural online presence and help develop the Canadian interactive digital media industry.

www.aboutourland.com.
Used by permission of Mi'gmawei Mawiomi Secretariat.

Did you know?

As of December 2008, 525 Canadian television services were available and 182 non-Canadian satellite services were authorized for distribution in Canada. Of the 707 television services available in Canada, 129 were third-language services (48 Canadian and 81 non-Canadian).[32]

www.aboriginalpeopleschoice.com. *Used by permission of Manitoba Aboriginal Music Host Committee.*

Canadian Culture Online Components*		
	Number of projects supported	**Investment ($ million)**
Canada New Media Fund	148	13.3
Partnerships Fund	30	7.5
Gateway Fund	19	0.8
Virtual Museum of Canada	74	5.5
Canadian Works of Reference Licensing Agreements	2	2.1
Canadian Memory Fund	14	9.5
New Media Research Networks Fund	5	3.8
Total	**292**	**42.5**

* The Canada Memory Fund and the New Media Research Networks Fund concluded in 2008-2009. The Canada New Media Fund, the Partnerships Fund and the Gateway Fund concluded in 2009-2010. The Canada Media Fund, effective April 1, 2010, reforms, combines and rebrands the Canadian Television Fund and the Canada New Media Fund. The Canada Interactive Fund, effective April 1, 2010, reforms, combines and rebrands the Partnerships Fund and the Gateway Fund.

In 2008-2009, Sector-supported Web sites continued to attract large numbers of online visitors. Twenty-three CNMF-funded sites received more than six million visits. *thisisdanielcook.com*, the online companion to the popular children's television series, amassed an impressive 1.7 million page views per month. The children's Web site *cornemuse.com* also broke the one-million-page-views-per-month benchmark. By year's end, the 1,348 institutions taking part in the Virtual Museum of Canada had, together, launched 486 online exhibits and contributed 686,365 images of museum objects for access by millions of people in Canada and around the world.

CREATE°ACCESS

Listen

Technology continues to revolutionize how artists make music—and how their fans listen to it. Traditional business models are evolving; innovative means of marketing and distribution are emerging. In a world with few sound barriers and loads of competition, Canadian music artists are finding new ways to be heard.

Omnikrom. *Used by permission of Alex Bolieu Management Inc. Photo Credit: SPG LePigeon.*

Perspective: Music

Canadians today enjoy more choice than ever before in how they access music—from iTunes and satellite radio to brick-and-mortar music stores and peer-to-peer Web applications. Digital business models continue to gain in popularity, generating 17 percent of total trade revenues for recorded music in Canada in 2008.[33] This amounts to $82.4 million, a 45 percent increase from 2007, and builds on the already huge growth of nearly 65 percent between 2006 and 2007.[34]

The ascent of digital music has been accompanied by a decade-long drop in revenues from physical formats, which fell 15 percent to $384.2 million between 2007 and 2008.[35] Persistent change, the dominance of unpaid downloads (59 percent of Canadian youth say they have downloaded music without paying for it[36]), and the challenges of a struggling global economy all put additional pressure on the music industry in 2008. Mirroring worldwide trends, trade revenues for recorded music dropped by eight percent in Canada to $488.2 million.[37]

An important component of the music industry, commercial radio has become increasingly consolidated in Canada. In 2008, the five largest radio groups accounted for 70 percent of all industry revenues, compared to 44 percent in 1999.[38]

***Jill Barber**. Used by permission of FACTOR.*

Canada's music industry

Canadian-controlled companies have proven more successful than their foreign counterparts at selling the music of Canadian artists. According to the most recent data available, foreign-controlled firms' revenues from Canadian artist sales dropped by 16 percent while Canadian-controlled companies' grew by five percent—generating 64 percent of all Canadian artist sales in 2007.[39] Multinational labels in Canada have lately decreased their investment in Canadian artists, preferring instead to market foreign artist recordings produced by their subsidiaries.

Thanks in part to their success with Canadian artists and to marked increases in revenues from foreign artists, royalties, and other sources, Canadian-controlled companies' operating revenues grew by 38 percent between 2005 and 2007. In that same period, operating revenue for foreign-controlled labels decreased by 21 percent.[40]

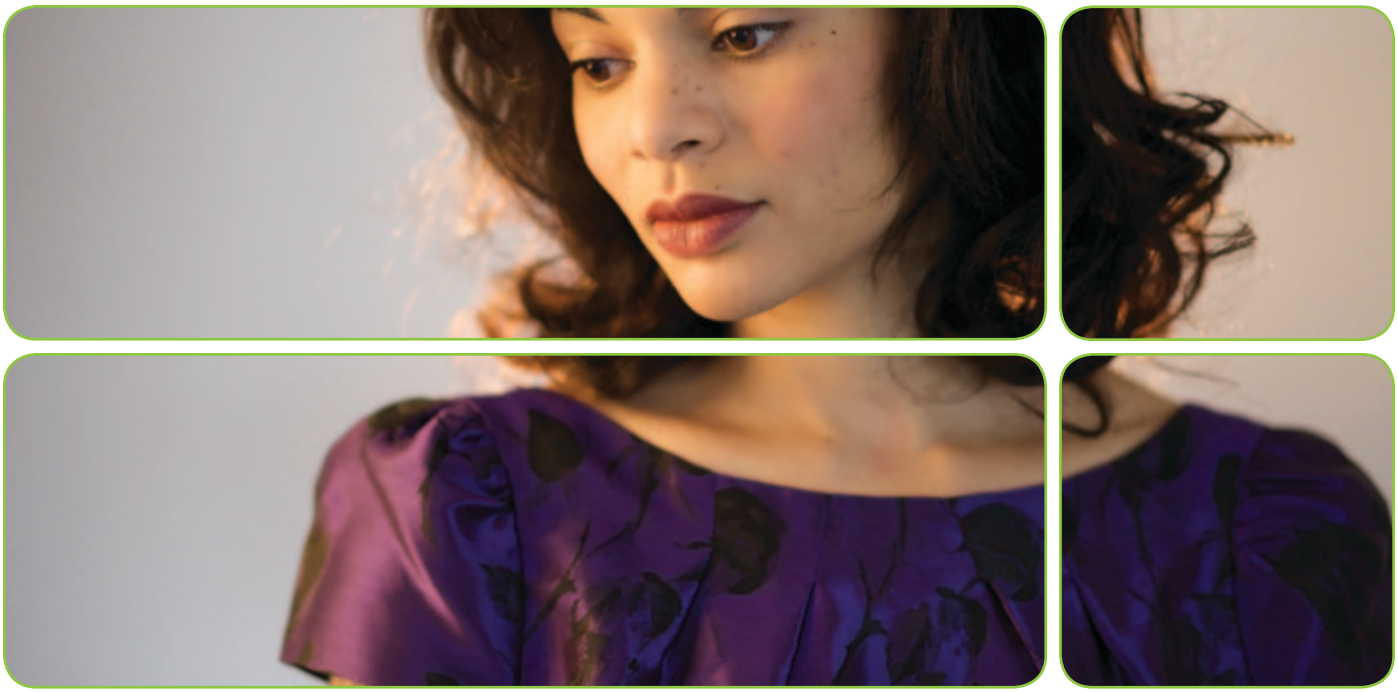
Canadian-controlled companies released 10 more albums by Canadian artists in 2007 than they did in 2005.[41] Foreign-controlled firms released 23 fewer such albums in that same period.[42]

Did you know?

Nearly two-thirds of the weekly music listening by Canadians aged 15 to 19 is done through personal media players, computer files or the Internet.[43]

Success story: *Jill Barber*

Following support from FACTOR for her 2008 album, *Chances*, Jill Barber picked up two East Coast Music Awards for Female Solo Recording of the Year and Jazz Recording of the Year. The album also made the long list for the 2009 Polaris Music Prize.



Ndidi. *Used by Permission of FACTOR.*

These results are impressive considering Canada's relatively small population and vast geography: Canadian music companies cannot achieve the economies of scale enjoyed by their multinational counterparts.

The role of the Cultural Affairs Sector

The Cultural Affairs Sector works to ensure the availability and accessibility of Canadian music through the Canada Music Fund. The Fund supports the production and marketing of music by emerging and established Canadian artists, and also provides funding for national and international tours, music showcases, conferences, award shows, preservation and the professional development of creators and entrepreneurs. Through the Fund in 2008-2009, the Sector provided $27.6 million in support of Canadian music, helping artists create works and find audiences for their recordings and live appearances.

Success story: *Polaris Music Prize*

The Polaris Music Prize celebrates creativity and diversity in Canadian recorded music. Nine of the ten shortlisted Polaris artists in 2009 had received Canada Music Fund support at some point in their careers.

The Canada Music Fund is complemented by longstanding policy tools such as CBC/Radio-Canada, the Canada Council for the Arts and legislation such as the *Copyright Act* and the *Broadcasting Act*.

A key cultural partner: The CRTC

The CRTC supervises and regulates Canadian broadcasting and telecommunications systems. It requires English-language private commercial radio stations to play a minimum of 35 percent Canadian content each week, and French-language stations to provide at least 65 percent French vocal musical content. The CRTC also requires private radio broadcasters to contribute a portion of their annual revenues to Canadian content development initiatives, with organizations that administer Canada Music Fund components delivering most of these funds. This public-private partnership has had a multiplying effect on the industry's capacity to create a variety of Canadian musical choices.

Protest the Hero. *Used by permission of FACTOR.*

Highlights: 2008-2009

- The Cultural Affairs Sector supported the production of some **500** albums by Canadian artists, including Isabelle Boulay, the Arkells and Plants and Animals.
- The number of Canada Music Fund-supported albums ranking among the top **2,000** sold each year in Canada has more than doubled since the inception of the Fund. In 2008, two-thirds of all albums by Canadian artists in the top **2,000** were by recipients of Canada Music Fund support at one point in their career.
- More than **160** showcases of artists from official linguistic minority communities were presented at **22** high-profile events in Canada and elsewhere.
- More than **1,200** Canadian radio and audio services, which includes community radio services, called Canada home.[43]
- Performance royalties paid to Canadian creators and publishers by the Society of Composers, Authors and Music Publishers of Canada (SOCAN) increased, respectively, by **57** and **58** percent since the inception of the Canada Music Fund.[44]

Year in review: Create

One of the Sector's chief tools for fostering the creation of music by Canadian artists is the $10 million Music Entrepreneur Component (MEC) of the Canada Music Fund, which helps top-selling Canadian labels and established music publishers position themselves for success in the global economy. The recipients of Aid to Canadian Sound Recording Firms funded through MEC in 2008-2009 released 144 albums by Canadian artists in the past year—among them, recordings by Tegan and Sara, Ariane Moffatt, and Pascale Picard.* While this was slightly fewer than in the previous year, funding recipients also added a total of 43 new Canadian artists to their rosters, offering each their first recording contracts. By year's end, the total number of artists on MEC-supported labels reached 462.

Through its New Musical Works and Canadian Musical Diversity components, the Canada Music Fund funded 370 albums—24 more than the previous year. These included works by artists such as Elliott Brood, Malajube and Woodpigeon. More than 900 projects also received marketing, touring or showcasing funding through the New Musical Works component of the Fund.

Beast. *Used by permission of FACTOR.*

Success story: *Beast*

In November 2008, Beast released its self-titled debut album with support for marketing, touring and showcasing from FACTOR through the Canada Music Fund. The group went on to receive a Juno nomination in 2009 for New Group of the Year, and nods for five Quebec Indie Music Awards. It was also long listed for the prestigious 2009 Polaris Music Prize.

Year in review: Access

Consistent with industry trends, the 2008-2009 recipients of MEC funding* saw their sales of physical albums by Canadian artists decline by 26 percent between 2005-2006 and 2007-2008. Most of this decline occurred among French-language recipients, whose Canadian artist physical album sales dropped by nearly half. Digital sales for MEC-funded labels, however, continued to climb for both English and French Canadian artists.

According to the latest available figures, the international market accounted for more than 27 percent of all Canadian artists' physical albums sold by 2008-2009 MEC-supported firms, an increase over the 22 percent recorded in 2005-2006. While international sales in French and instrumental categories increased between 2005-2006 and 2007-2008, English-language content accounted for the vast majority of international sales.

MEC-funded labels have seen tremendous growth in the area of digital music sales. Over the same period of 2005-2006/2007-2008, sales in all categories grew, with English-language artists accounting for the largest share of digital sales. Overall, MEC recipients saw their sales of downloaded singles by Canadian artists grow

* The information in this section related to MEC recipients is derived from the 2009-2010 MEC Aid to Canadian Sound Recording Firms application forms and contains data on 21 out of the 22 firms that received MEC funding in 2008-2009. This methodology ensures that the most accurate and recent information is used. A MEC funded firm's language classification is based on the language of the majority of their releases.

a staggering 350 percent from 2005-2006, while sales of full-length downloaded albums by Canadians more than doubled.

Music Entrepreneur Component – Aid to Canadian Sound Recording Firms 2008-2009 Recipients: Downloads (Unit Sales)						
	Singles – download			Full-length albums – download		
	2005-2006	2006-2007	2007-2008	2005-2006	2006-2007	2007-2008
English	646,535	1,502,504	2,396,357	98,637	164,433	201,303
French	37,308	80,853	282,733	1,300	4,795	16,537
Instrumental	133,770	372,232	1,062,282	3,242	9,703	17,150
Total	**817,613**	**1,955,589**	**3,741,372**	**103,179**	**178,931**	**234,990**

Source: MEC database.

To assess the domestic market share of Canadian artists, the Sector uses the Nielsen SoundScan Canadian Top 2000 Chart. After reaching an all-time high of 26.5 percent in 2007, the Canadian artists' market share declined to 20.7 percent in 2008. This can in large part be attributed to the fact that top-selling Canadian artists released fewer albums that year.

Doc Walker. *Used by permission of FACTOR.*

Nielsen SoundScan Top 2000 Chart—Domestic Sales: 2001 to 2008			
	Total sales	Canadian album market share	Number of CMF albums*
2001	42,393,000	16.0%	63
2002	34,659,000	22.2%	68
2003	31,865,000	24.0%	76
2004	34,014,000	25.0%	87
2005	33,788,000	22.6%	98
2006	32,137,000	22.3%	133
2007	27,738,000	26.5%	130
2008	24,647,000	20.7%	142

* Albums by artists on MEC-supported labels included as of 2006.

Did you know?

Even with an increasingly diverse array of global music at their fingertips, 18 of 20 Canadians report the quality of Canadian music is equal to or better than foreign music.[47]

The market share of artists who received federal support at some point in their career jumped from 6.1 percent in 2001 to 13.7 percent in 2008.[46]

Showcasing Canada's linguistically diverse talent

In 2008-2009, the Government of Canada launched the Music Showcases Initiative to help raise the profile of musical artists from official language minority communities. Part of the *Roadmap for Canada's Linguistic Duality*, this five-year program has an initial annual budget of $500,000 that will rise to $1 million for each of the subsequent years. Administered jointly by the Foundation Assisting Canadian Talent on Recordings (FACTOR) and the Fondation Musicaction (Musicaction), the Music Showcases initiative aims to improve communities' access to musical performances in their own languages and to promote their artists locally, regionally, nationally and internationally.

Kaïn. *Used by permission of Disques Passport Inc. Photo Credit: Sophie Samson.*

The new program has already made some remarkable achievements. Following appearances at the Bourse RIDEAU festival in Quebec, Saskatchewan-born singer Anique Granger and the eclectic Acadian group Les Païens were both invited to perform in Europe. A showcase organized on the fringe of the *Gala des prix Trille Or* in Ottawa gave Franco-Ontarian artist Tricia Foster profile and helped her earn the opening spot on Daniel Lavoie's August tour through Quebec and New Brunswick.

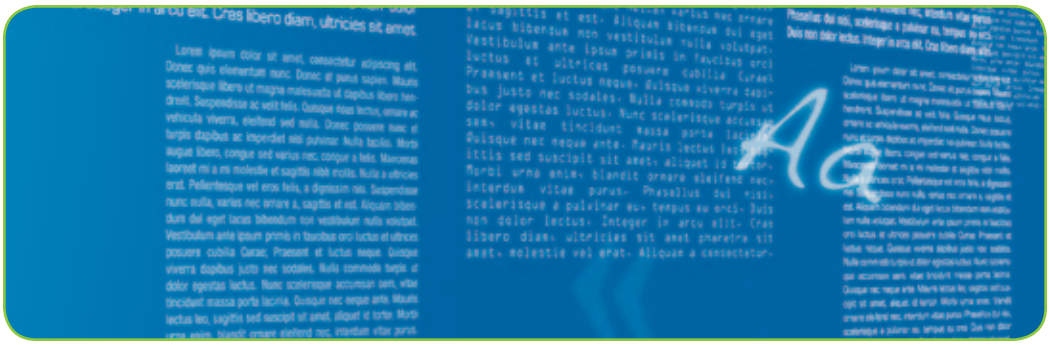
Success story: *Kaïn*

A rock band originally from Drummondville, Quebec, Kaïn was awarded Group of the Year at the ADISQ Gala in 2006—an annual celebration of Quebec's music industry. Kaïn was nominated for the same award in 2008 and 2009. The group's three albums and DVD have all been funded by Musicaction through the Canada Music Fund's New Musical Works component.

CREATE°ACCESS

Read

While digital technologies reshape the art and business of publishing, the written word continues to hold powerful appeal for Canadians—spinning stories, delivering news and keeping communities connected.



Perspective: Publishing

Canadians continue to show a love for reading. A 2008 Decima survey found the average Canadian bought some 14 books over the previous 12 months and read about 17 titles for leisure. Despite the challenging economic environment, Canada's total book sales improved in 2008-2009, growing by 4.4 percent[48] in Quebec and 6.2 percent[49] in the English-language market.

Unlike news—where free online sources are garnering ever-larger audiences—readers have yet to embrace digital book formats in large numbers. A mere eight percent of Canadians reported having read one or more digital books within the period covered by the Decima survey. The remaining respondents cited a preference for printed books (40 percent), a lack of time (8 percent), and a lack of interest (8 percent) among their primary reasons for not reading digital books.[50] That said, several applications were launched that allow readers to access e-book content on their existing handheld devices, and Amazon's Kindle e-book reader hit the Canadian market late in 2009. Major Canadian retailers expanded their online bookselling in 2009 to include dedicated e-book ventures.

Likely related to the growth in e-media, print circulation of Canada's 100-some paid daily newspapers fell by eight percent in 2008.[51] Paid circulation for Canadian magazines also fell by about five percent in the last six months of 2008 compared to the same period in 2007.[52] Advertisers followed their readers to the Web: online advertising accounted for 11 percent of the estimated $14.6 billion total for periodicals, a 29 percent increase over 2007.[53] Newspapers and magazines were affected financially by this shift and, by the fall of 2008, more than 200 magazine and 1,000 newspaper layoffs had been announced.[54] By the middle of 2009, magazine closures were on their way to significantly outnumbering launches.[55]

Night Work, The Sawchuk Poems by Randall Maggs.
Used by permission of Brick Books.

Reaching a world of readers
Canada is home to more than 21,000 full-time writers and countless other part-time wordsmiths producing all manner of fiction, creative non-fiction, personal journalism and essays.[59] Works by many of these writers are on bookshelves all over the world, with Canadian authors receiving nearly every major international literary award—among others the Man Booker Prize, the *Prix Goncourt*, the Orange Prize for Fiction, the *Prix Femina* and the International IMPAC Dublin Literary Award.

Publishers have recognized the evolution toward online content and have extended their presence to the Web and mobile devices. Many newspapers produced digital editions and Web-only content and encouraged their writers to start blogs. In January 2009, Rogers Publishing created mobile editions of two of its magazines, *Maclean's* and *Canadian Business*, for download by Web-enabled phones.[56] In February 2009, Hearst, which publishes several prominent American magazines and newspapers, announced it was developing a "wireless e-reader with a large-format screen suited to the reading and advertising requirement of newspapers and magazines." The device is designed to "approximate the reading experience of print periodicals" while providing space for advertising content.[57]

Community newspapers remained a stronghold for the print format in periodicals, retaining their readers and revenues likely because of their "monopoly on truly local content."[58]

The role of the Cultural Affairs Sector

The Sector's primary goals in supporting book and periodicals publishers are to foster the creation and distribution of Canadian works that reflect the country's diversity of Canadian experiences and perspectives, and to help ensure the sustainability of the industry over the long term. The Sector's efforts are carried out within a broader government context that includes bodies such as the Canada Council for the Arts and the following tools:

- The *Foreign Publishers Advertising Services Act*, which strengthens the financial viability of Canadian magazine publishers by helping them compete on more favourable terms with lower-cost foreign companies for ad sales.
- The *Income Tax Act*, which stimulates production by providing incentives for advertisers to do business with magazines that have high levels of Canadian content—important given that advertising generates the most revenue for the majority of magazines.
- The *Investment Canada Act*, which ensures that foreign investment in books and magazines benefits Canada, including the production of Canadian editorial content.
- The Book Importation Regulations of the *Copyright Act*, which protect the exclusive distribution agreements signed by Canadian publishers and distributors.
- The National Translation Program for Book Publishing, introduced in 2009 as part of the Roadmap for Canada's Linguistic Duality, will provide $5 million over four years to help publishers in Canada translate Canadian-authored books from one official language to the other.

Highlights: 2008-2009

- The appetite for Canadian books continues to grow at home and around the world. In 2008-2009, Sector-supported publishers sold **$350 million** worth of books in Canada and **$103 million** in other countries—a six percent increase over the past five years, after adjustment for inflation.
- Canadian-owned book publishers supported by the Sector published nearly **2,000** English-language authors and **2,000** French-language authors, including Margaret Atwood (*The Door*), Rawi Hage (*De Niro's Game*), Elizabeth Hay (*Late Nights on Air*), David Suzuki (*David Suzuki*), Dave Bidini (*Around the World in 57½ Gigs*), Marie-Claire Blais (*Noces à midi au-dessus de l'abîme*), Marie-Louise Gay (*Les malheurs de princesse Pistache*), Aude (*Chrysalide*), Lise Tremblay (*La Sœur de Judith*) and Michel J. Lévesque (*Arielle Queen*). The Sector also supported the work of nearly **1,000** first-time writers.
- Among the books published were **400** translations—noteworthy among them being official language translations of *The Perfect Circle* (Pascal Quiviger translated by Sheila Fischman), *A Good Death* (Gil Courtemanche translated by Wayne Grady), *Divisadero* (Michael Ondaatje translated by Michel Lederer), *Les rescapés du Styx* (Jane Urquhart translated by Anne Rabinovitch).
- Canadian subscribers received more than **183 million** copies of Canadian magazines and non-daily newspapers with the help of the Publications Assistance Program. These included The *Carillon*, a non-daily newspaper based in Manitoba; *Down Home*, a news and leisure magazine from Newfoundland; and *Rénovation Bricolage*, a Quebec-based home renovation magazine.
- While the profit margin of the Canadian magazine industry as a whole increased by **8.7** percent between 2005 and 2007,[60] magazine publishers funded through the Support for Editorial Content component of the Canada Magazine Fund saw their profit margins increase by **22** percent.

"The Book Publishing Industry Development Program (BPIDP) enjoys industry-wide recognition for its relevance, a point clearly re-articulated by ANEL members during their recent annual general meeting."

Gilles Herman, *Association nationale des éditeurs de livres (ANEL), Montréal, Quebec*

Year in review: Create

Part 1: Books

The Cultural Affairs Sector continued to support a broad range of book industry activities across the country in 2009. Through the Book Publishing Industry Development Program (BPIDP),* the Sector helped ensure a diverse range of Canadian-authored books were available in Canada and other countries. In 2008-2009, the largest component of BPIDP, Aid to Publishers, provided more than $26 million to publishers from coast to coast to coast. That funding reached 235 Canadian-owned publishers in all 10 provinces and more than 75 towns and cities—firms that directly employ, in total, more than 3,000 Canadians and that published 5,395 Canadian-authored titles.

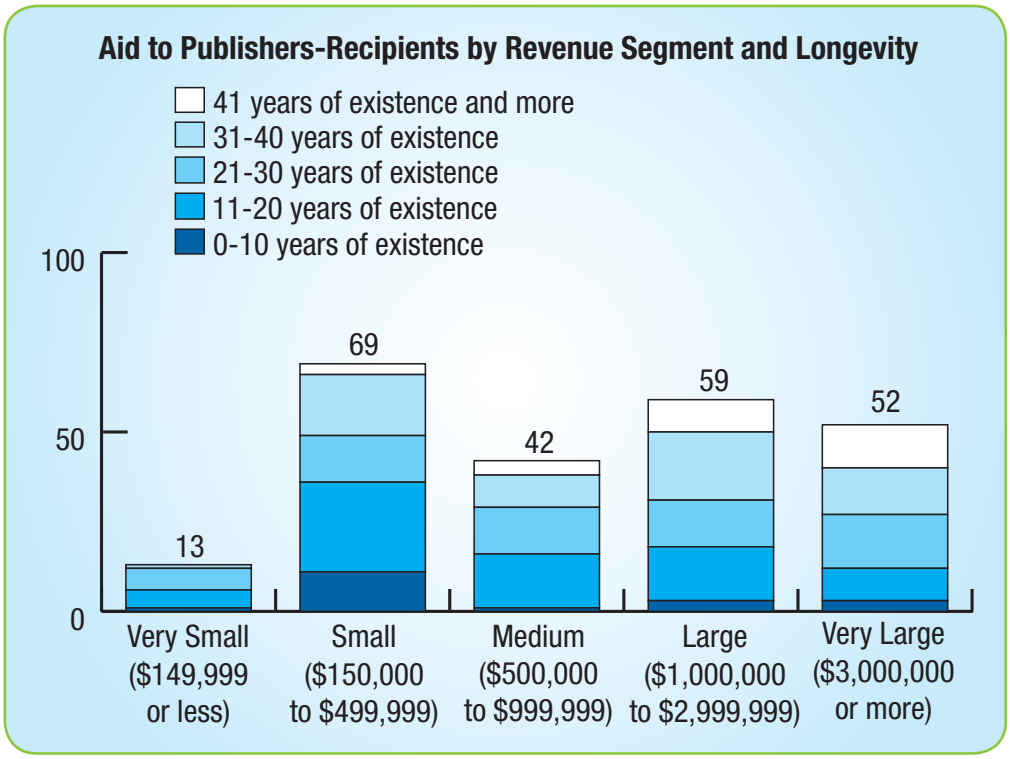
Aid to Publishers Recipients by Region

	Number of publishers	New Canadian-authored titles published	New titles per publisher (average)	Aid to Publishers contribution
BC	26	423	16	$2,204,154
Prairies & North	26	345	13	$2,329,926
Ontario	65	1,278	20	$7,056,060
Quebec	105	3,138	30	$14,233,244
Atlantic	13	142	11	$718,521
Total	**235**	**5,326**	**23**	**$26,541,905**

* Effective April 1, 2010, BPIDP was renamed the Canada Book Fund.

The BPIDP continued to support both established publishers and relative newcomers, fostering a stable environment for book publishing in Canada. In 2009 Wilson & Lafleur became the fifth active BPIDP recipient to celebrate a century in publishing.

This diversity of firms—small and large, emerging and mature—is important to ensuring the overall sustainability of the country's book publishing sector. As the table below indicates, BPIDP recipients include companies with revenues under $150,000 and fewer than 10 years' experience up to those exceeding $3 million in sales and more than four decades in business.



Success story: *Les Éditions du Boréal*

Marie-Claire Blais, one of Canada's most popular and renowned authors, won her fourth Governor General's award for fiction in 2008. Her novel, *Naissance de Rebecca à l'ère des tourments*, was published by *Les Éditions du Boréal*, which is supported by the Sector.

***Naissance de Rebecca à l'ère des tourments* by Marie-Claire Blais.** *Used by permission of Éditions du Boréal.*

"Magazine Canada's Professional Development Program is a great program, especially under the current economic circumstances and the best way of keeping up the standard of Canadian magazines. We would never be able to afford such high-level consultations otherwise."

Anders Neumuller, *Swedish Press, Vancouver, British Columbia*

Used by permission of Vélo Québec Editions, The Walrus, St-Joseph printing Limited, Espace and Anna Magazine.

Part 2: Periodicals

The Cultural Affairs Sector administers the Canada Magazine Fund* to develop and maintain Canadian content levels in magazines and to build industry capacity by supporting small magazine publishers' business development efforts, industry development projects, and arts and literary magazines. The Sector also works at the policy level to address market forces and inequalities that affect Canadian magazines and newspapers.

In 2008-2009, through the Canada Magazine Fund, the Sector provided $13.7 million to 277 Canadian magazines and supported 75 projects to develop Canadian content, improve efficiency and sustainability, and enhance marketing and professional development. This was divided among four components: Support for Editorial Content (SEC), Support for Arts and Literary Magazines (SALM), Support for Industry Development (SID), and Support for Business Development for Magazine Publishers (SBDMP).

Success story: *Consumer magazines get the nod*

The Sector sponsored eight prizes at the 32nd annual National Magazine Awards, which recognized excellence in Canadian consumer magazines produced in 2008. Several Sector-supported magazines took home major awards: *Toronto Life*, which won most awards overall, and *The Walrus*, which received the most gold awards.

* Effective April 1, 2010, the Canada Magazine Fund and the Publications Assistance Program were replaced by the Canada Periodical Fund.

Total Canada Magazine Fund Funding by Component						
	2006-2007		2007-2008		2008-2009	
Component	Recipients	Funding	Recipients	Funding	Recipients	Funding
SEC	197	$9,938,884	201	$9,645,709	196	$9,468,964
SALM	60	$1,000,000	57	$1,000,000	56	$1,000,000
SID	28*	$2,263,686	31*	$1,998,634	25*	$1,802,714
SBDMP	82*	$2,299,538	58*	$1,876,734	50*	$1,384,880
Total	**367**	**$15,502,108**	**347**	**$14,521,077**	**327**	**$13,656,558**

Recipients of Canada Magazine Fund's SEC component reported higher profit margins than the industry as a whole for two of the last three years for which data are available. In the two most recent years on record (2005 and 2007), SEC recipients increased their margins by 22.2 percent while the industry's overall profits went up by just 8.7 percent.[61]

The Canada Magazine Fund also contributed to the creation of a diverse range of Canadian-authored content as publishers supported by the Support for Editorial Component in 2008-2009 produced approximately 113,000 pages of Canadian content in 196 titles.

Success story:
Quebec awards recognize science writing

Since 1962, *Québec-Science* has informed readers about the latest developments in science and technology. The magazine, which received support during the year for developing editorial content, won top prize in the reporting category at the *Concours des Grands Prix 2008 des Magazines du Québec*—the province's highest awards for magazine excellence.

Did you know?

Almost three-quarters (72 percent) of Canadians agree that reading Canadian magazines helps them appreciate Canadian culture.[62]

* For SID and SBDMP, "recipients" refers to the number of individual projects.

Year in review: Access

Part 1: Books

The Sector helps Canada's book publishing industry strengthen its infrastructure, enhance its use of technology, and market Canadian authors both in Canada and around the world to ensure Canadian works are accessible to the broadest possible audiences.

The Collective Initiatives, Supply Chain Initiative and International Marketing Assistance components of the BPIDP are the Cultural Affairs Sector's key instruments in ensuring access to Canadian books. Together, these provided nearly $10 million of additional support for collective and individual projects in professional development, publishing internships, business planning and export market development.

Success story: *The Porcupine's Quill*

In 2008, Tim and Elke Inkster were named to the Order of Canada for "their distinctive contributions to publishing in Canada and for their promotion of new authors, as co-founders of the Porcupine's Quill, a small press known for the award-winning beauty and quality of its books." Their influential publishing house, established in 1974 and supported by the Sector, has helped launch the careers of authors such as Jane Urquhart, Elizabeth Hay and Russell Smith.

Providing full-spectrum support

The Sector's work touches all aspects of the book publishing industry, from management and production to distribution and marketing. On the supply chain side, in 2008-2009, Cultural Affairs Sector funding enabled the *Association nationale des éditeurs de livres* to develop a new system for digitally warehousing and distributing French-language e-books published by Canadian-owned publishers. This innovation reduces costs for participating publishers while allowing retailers and other interested parties to access a large collection of French-language content within a single repository.

Un monde à lire. *Used by permission of Communication-Jeunesse.*

Embracing technology

Since 2000, BPIDP has helped develop the next generation of Canadian publishing professionals by providing funding for internship opportunities at Canadian-owned publishing companies. In 2008-2009, as publishers continued to adapt to the evolving digital environment, BPIDP increased its support for internships focused on emerging technologies. These involved Web marketing, digital content design and digital rights management, and accounted for nearly two-thirds of the 42 internships funded by BPIDP during the year.

Success story: *Brick Books*

In 2008-2009, Randall Maggs' *Night Work*: *The Sawchuk Poems* proved a triumph for Sector-supported publisher Brick Books. From a launch at the Hockey Hall of Fame in Toronto to author interviews with major radio, television and print media – rare occurrences for a book of poetry – Brick Books ran an innovative, multifaceted marketing campaign to connect the book to its readership. By artfully intertwining two of Canada's favourite pastimes—hockey and reading—*Night Work* struck a chord and became the third best-selling Canadian poetry book of 2008 behind works by literary titans Leonard Cohen and Margaret Atwood.

Fostering diversity

The Sector supports a number of initiatives to ensure that Canada's cultural and linguistic diversity are reflected in its books. In 2008-2009 it funded *Un monde à lire*, a special project of Communication-Jeunesse, an organization that makes cultural products more accessible to children. Un *monde à lire* is a thematic list of Québécois and French-Canadian children's books for recent immigrants aged 5 to 11. Its aim is to help these young people learn French. The list organizes 143 titles according to eight themes including friends, school, holidays and traditions, and the French language. A special index card was developed for each book to give information on the author and publisher.

In 2009, the Sector continued its support of the First Nation Communities Read program, a campaign that helps Ontario's First Nation public librarians build interest in Aboriginal literature and in the province's First Nation public libraries. The 2009 Friends of Ontario's First Nation Public Libraries Honour

Responding to changes at Canada Post

In 2009, Canada Post began charging higher rates for publications that travel greater distances, raising costs for print publishers that distribute publications nationally. The Corporation also ended its $15 million annual contribution to the delivery of magazines and non-daily newspapers. To minimize the impact of these changes on the industry, the federal government's Economic Action Plan announced two years of funding for Canadian magazines and community newspapers, beginning in 2009-2010.

Program recognized BPIDP for its ongoing support to the Southern Ontario Library Service, which administers the program.

Part 2: Periodicals

Through its policies and funding programs, the Sector enables periodicals and non-daily newspapers to develop Canadian content, reach out to diverse audiences and adapt to changing technologies in the marketplace.

The Publications Assistance Program (PAP)* is a key tool for ensuring access to content, subsidizing postal delivery of magazines and non-daily newspapers and helping ensure that Canadian readers have access to a diversity of Canadian periodicals. In 2008-2009, the program subsidized the postal costs of 1,130 recipients.

Reaching Diverse Communities with Postal Subsidies

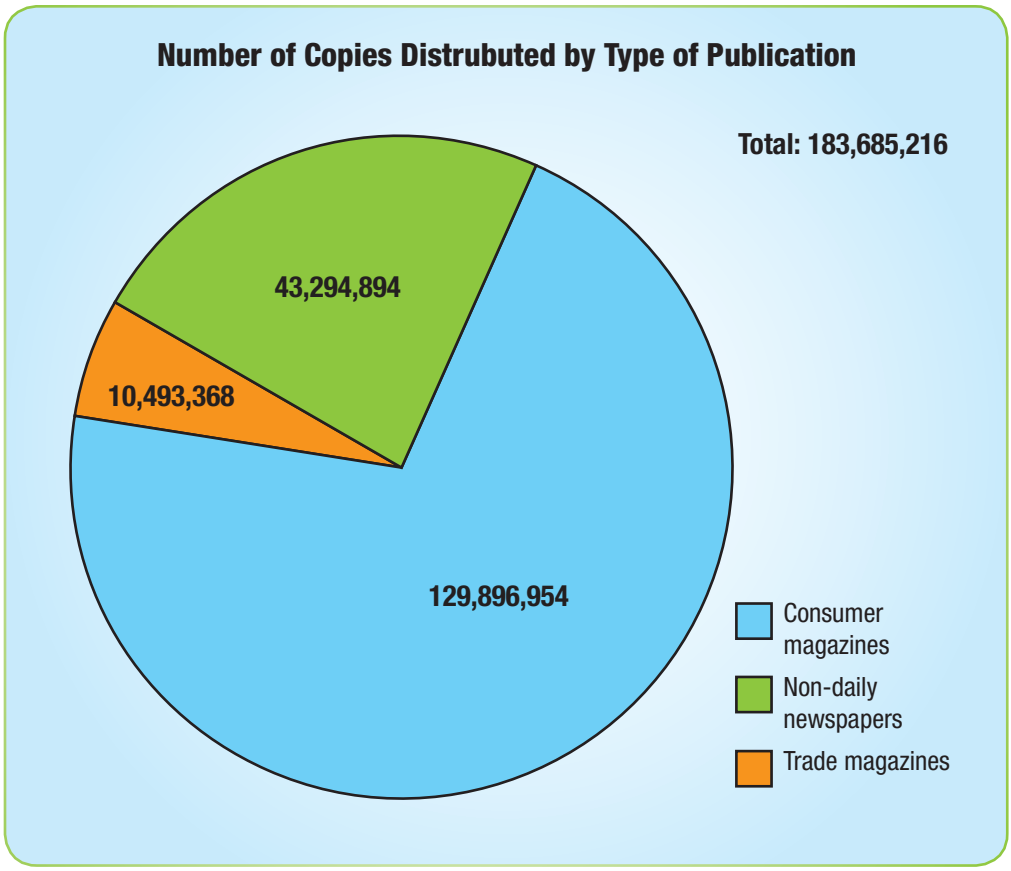
Community	Number of copies 2008-2009
General	177,141,165
Official language minority	2,014,594
Aboriginal	256,792
Ethnocultural	4,272,665
Total	**183,685,216**

Total PAP Funding, 2006-2007 to 2008-2009

	2006-2007		2007-2008		2008-2009	
	Recipients	Funding	Recipients	Funding	Recipients	Funding
Consumer magazines	603	$44,438,431	597	$41,628,271	584	$42,811,238
Non-daily newspapers	479	$15,719,226	474	$15,724,317	460	$14,845,677
Trade magazines	479	$1,414,562	82	$1,628,019	86	$1,623,837
Total	**1,161**	**$61,572,219**	**1,153**	**$58,980,607**	**1 130**	**$59,280,753**

The trend in funding from the PAP over the past three years reflects a mature industry under pressure from online competitors and a slowing economy. There have been slight declines in total publications and the total amount of funding over this period. The drop in the number of publications could indicate closures outpacing launches or that some titles have shifted from print to online distribution. The amount of PAP funding from year to year is based on three main factors: postal rates, the weight of the publications, and the total number of copies sent in the mail. The decline in total funding over the three years is in spite of annual postal rate increases from Canada Post, indicating that magazines and newspapers are either thinner, mailed less frequently, or both. These changes could be indications of declines in advertising and circulation revenues.

* Effective April 1, 2010, the Publications Assistance Program and Canada Magazine Fund were replaced by the Canada Periodical Fund.



Did you know?
Almost all Canadians (89 percent) agree it is important to have access to Canadian magazines.[63]

Generally, because consumer magazines have larger circulations and weigh more than non-daily newspapers, they are more expensive to mail. Although consumer magazines represented nearly half of all PAP recipients in 2009, they received nearly three-quarters of the program's subsidies.

Launching the Canada Periodical Fund

In February 2009, the Government of Canada announced the creation of the Canada Periodical Fund. This will replace the Canada Magazine Fund and the Publications Assistance Program starting in 2010-2011. Building on the two existing programs, this modern and streamlined fund will maintain support for the industry—by providing financial assistance to the Canadian magazine and non-daily newspaper industries so they can continue to produce and distribute Canadian content despite systemic disadvantages in the marketplace. It will also provide greater flexibility so that publishers can manage funds strategically and enrich their Web content, and will allocate most of its funding based on the purchasing decisions of Canadians.

Used by permission of Musicworks and Urbania.

Did you know?

Canadians read or browse about four print magazines per month, 60 percent of which are Canadian.[64]

Success story: *KRW Awards honour business publications*

The Kenneth R. Wilson Awards (KRWs) recognize excellence in Canadian trade (business-to-business) magazines. These publications may be less familiar to Canadian consumers but are welcomed by professionals, businesses and trades people for the latest news and ideas in their respective industries. In 2008, several Sector-supported publications were recognized in such categories as Best Editorial, Best Professional Article, and Best Industrial/ Manufacturing Article.

CREATE°ACCESS

Experience

Arts and cultural organizations forge direct connections between artists and audiences. While today new tools are being used to reach out and draw Canadians in, the essence of the arts experience remains unchanged— a powerful engagement with the abundant talent and diverse imaginations of creators from coast to coast to coast.

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Perspective: Arts

The variety of arts and cultural offerings in Canada has never been greater. From concerts and festivals to exhibitions and studio tours, from drama and song to painting and sculpture, there is literally something for everyone. That 'something' enriches the lives of individual Canadians and contributes both to the cultural richness of the country and to its economic strength. According to the most recent figures available, artists generated more than $2.5 billion of Canada's gross domestic product in 2003.[65] From 1991 to 2006, the number of Canadian artists has increased at a higher rate than the overall workforce (at 38 percent versus 22).[66]

Not unexpectedly, the economic downturn of 2008-2009 had an impact on Canadians' participation in arts experiences. Not only did many arts organizations see a reduction in ticket sales for the year,[67] but the number of donations, corporate sponsorships and investments also declined. Some companies cut back on the number and length of productions or laid off staff as a result.[68]

That said, over the 10 years for which data are available (1996-1997 to 2006-2007), the arts sector has steadily grown its audiences and increased the support it receives, particularly from the private sector.[69]

Economic Action for the Arts

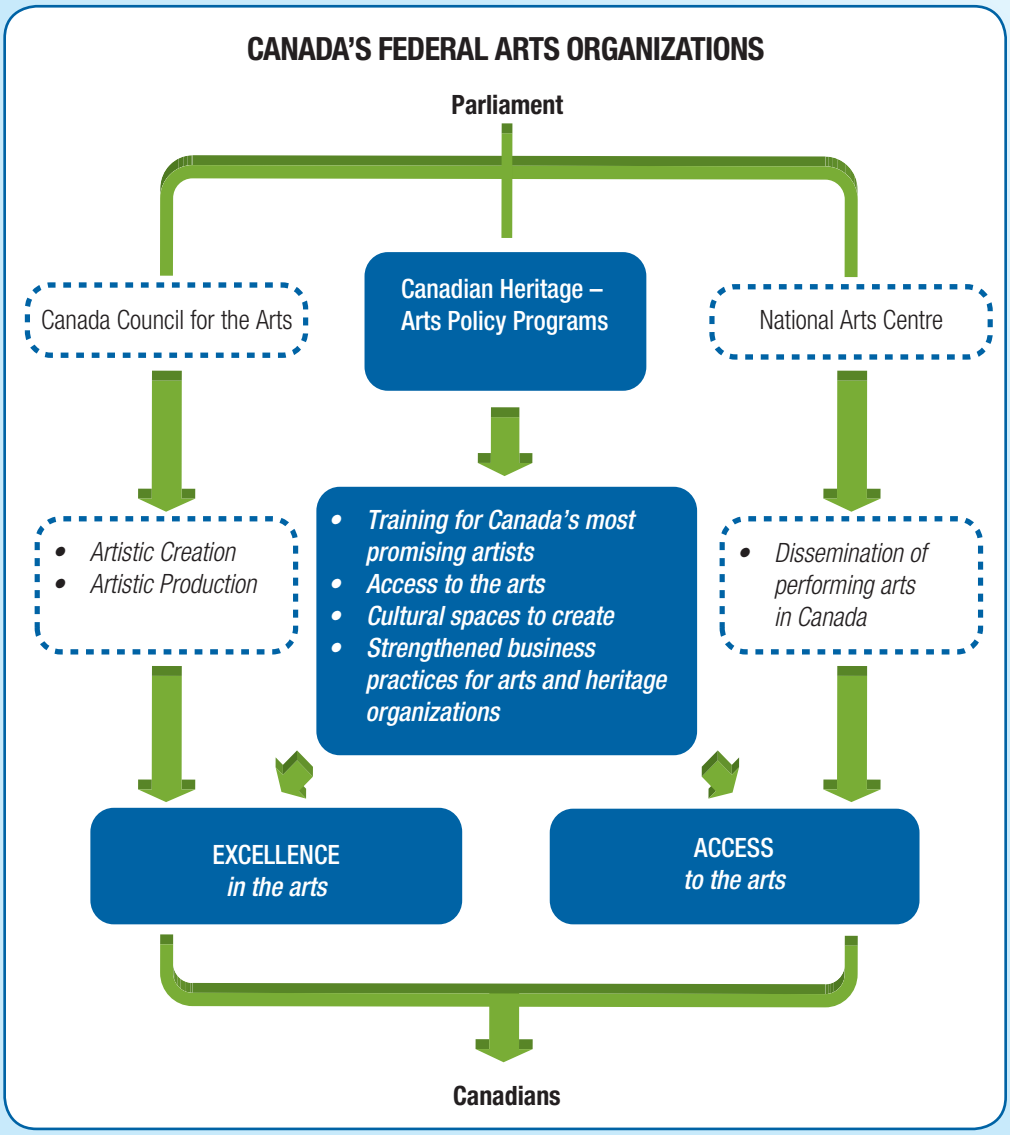
In 2009, the federal government's Economic Action Plan allocated:

- $60 million over two years to support cultural infrastructure projects through the Cultural Spaces Canada program.
- An increase in the annual budget of the National Arts Training Contribution Program from $17.1 million to $24.1 million, enhancing operating support for training institutions and increasing their stability and competitiveness in the long term.

*Used by permission of **Canada's National Ballet School**. Photo Credit: Cylla Von Tiedemann.*

The role of the Cultural Affairs Sector

The aims of the Cultural Affairs Sector align with overall federal government objectives to foster excellence and diversity in creativity and connect people to the arts. These goals are pursued in conjunction with the efforts of other federal organizations, such as the Canada Council for the Arts, which provides direct support to artists and arts organizations and the National Arts Centre. The Department of Canadian Heritage then helps create conditions in which the arts can flourish—funding infrastructure, festivals and performing arts series, and fostering the adoption of good governance and business practices by arts organizations. Through the work of these departmental programs, Canadians can hear, see, watch and experience Canadian artists and great cultural performances in the communities where they live.



In 2008-2009, the Cultural Affairs Sector continued to help audiences in Canada and around the world experience the arts in all their variety. It did so by supporting the training of Canada's most promising artists, improving cultural infrastructure and professional artistic presentations in all parts of the country, strengthening

Used by permission of the ***Alianait Arts Festival****.*

the organizational, administrative and financial capacity of arts and heritage organizations, and stimulating community support for arts and culture across Canada.

The Sector operates four major funding programs in arts and culture, which together in 2008-2009 invested more than $101 million in not-for-profit arts and heritage organizations:

- *The National Arts Training Contribution Program (NATCP)*—supporting the training of Canada's most promising artists.
- *Arts Presentation Canada (APC)*—supporting organizations that present professional arts series or arts festivals.
- *Cultural Spaces Canada (CSC)*—supporting the improvement, renovation and construction of arts and heritage facilities, and the purchase of specialized equipment and execution of feasibility studies for arts presentation, exhibition and creation.
- *The Canadian Arts and Heritage Sustainability Program (CAHSP)*—helping arts and heritage organizations build and diversify their revenue streams while strengthening their organizational capacity, business skills and competencies. The program—which has multiple components, including Endowment Incentives, Capacity Building, Cultural Capitals of Canada and Networking Initiatives—also helps organizations deepen their roots and gain greater recognition in their communities.

Investment in the Arts, 2008-2009*	
National Arts Training Contribution Program	$18.4 M
Arts Presentation Canada	$29.9 M
Cultural Spaces Canada	$29.1 M
Canadian Arts and Heritage Sustainability Program	$24.3 M
Sector Total	**$101.7 M**

As part of a renewal process, changes to the above program names were announced in June 2009. Program objectives have generally remained the same. Because this report focuses on program activities occurring in 2008-2009, the original names have been used.[i]

Investment in the Arts by Province and Territory, 2008-2009**			
Province/territory	**Amount invested**	**Percent of total Sector funds invested**	**Number of projects**
BC	$14,851,594	14.6%	153
AB	$8,045,327	7.9%	71
SK	$3,103,042	3.1%	27
MB	$6,135,467	6.0%	48
ON	$31,566,866	31.0%	281
QC	$32,019,033	31.5%	272
NB	$1,931,409	1.9%	35
NS	$1,353,516	1.3%	29
PE	$1,017,131	1.0%	19
NL	$724,643	0.7%	20
YK	$373,700	0.4%	11
NT	$328,512	0.3%	9
NU	$257,096	0.3%	2
Total	**$101,707,337**	**100.0%**	**977**

* Note: These investments represent actual program expenditures.

** Note: Fluctuations in amounts invested and percentage of investments per province and territory may occur from year-to-year, and are due to large multi-year infrastructure funding projects approved through Cultural Spaces Canada.

[i] Program name changes effective June 26, 2009:

Original names	New names
National Arts Training Contribution Program	Canada Arts Training Fund
Arts Presentation Canada	Canada Arts Presentation Fund
Cultural Spaces Canada	Canada Cultural Spaces Fund
Canadian Arts and Heritage Sustainability Program	Canada Cultural Investment Fund

Highlights: 2008-2009

- **3,500** artists in disciplines such as dance, theatre, music and circus arts graduated from institutions supported by the National Arts Training Contribution Program.
- **97** cultural infrastructure improvement projects in **56** communities were supported by the Cultural Spaces Canada program.
- **599** organizations in **237** communities across the country received funding for festivals, performing arts series and other events through Arts Presentation Canada.
- **156** business skills development projects were completed with financial assistance from the Canadian Arts and Heritage Sustainability Program.
- **$36.1 million** was invested in the endowment funds of Canadian arts organizations, of which **$21.2 million** was donated by the private sector and **$14.9 million** by Canadian Heritage.
- **$4.25 million** was awarded to five communities designated Cultural Capitals of Canada.

Success story:
Embracing diverse creators, expanding access

Since 2005, the Alianait Arts Festival in Iqaluit offers a 12-day summer showcase for traditional and contemporary artists from Nunavut, the rest of Canada and other polar nations. Produced by the Alianait Entertainment Group, the festival has been funded by the Cultural Affairs Sector since 2006. In keeping with its inclusive approach, Alianait prints its festival program in Inuktitut, English and French. The festival has special themed concerts to coincide with National Aboriginal Day, Saint-Jean-Baptiste Day, Multiculturalism Day and Canada Day. For 2008—the International Polar Year—the festival expanded the range of artists and enhanced access to their work. Alianait partnered with Igloolik Isuma Productions to stream the festival live on *Isuma.tv* and then archive the online content. This innovation dramatically extends the reach of the festival, enabling northerners, other Canadians and audiences around the world to access its distinctive programs.

Did you know?

2008-2009 marked the first year of a $30 million annual fund for "local arts and heritage festivals that engage Canadians in their communities through the expression, celebration and preservation of local culture." Of the total, up to $7 million was earmarked for Arts Presentation Canada to support professional arts festivals that make a significant commitment to community engagement. With this support, arts festivals across Canada are undertaking initiatives that reach out to specific segments of the population (youth, persons with a disability, seniors, etc.), and programming outreach activities to schools, community centres or other venues where professional artists engage with the community.

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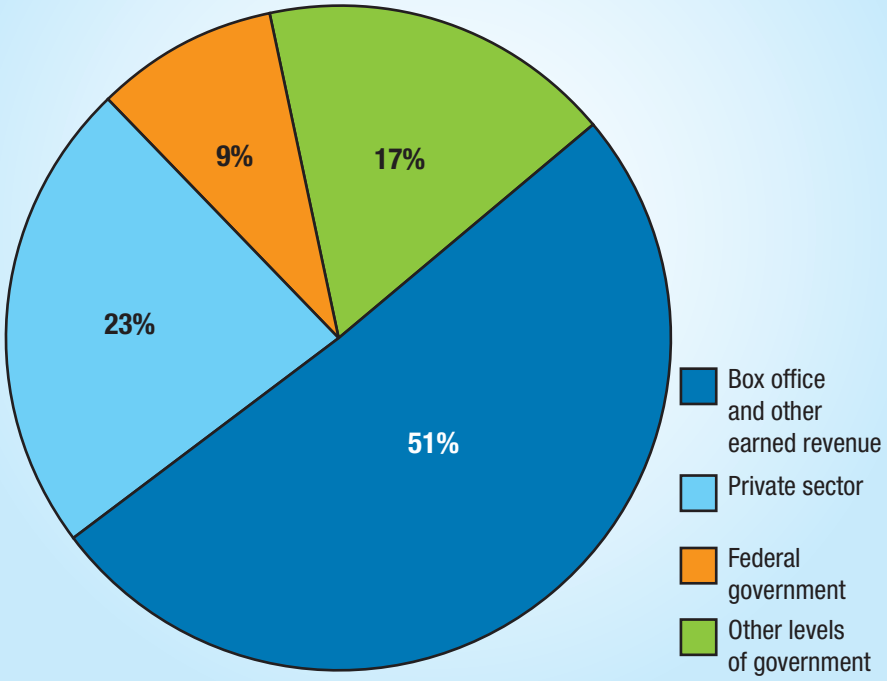
Year in review: Create

The Cultural Affairs Sector works with private and public partners to improve the financial situation of not-for-profit arts and heritage organizations. While its contributions may not go directly toward the creation of works themselves, they help provide the stability, capacity and infrastructure required for creation to take place.

Funding for a typical Canadian not-for-profit arts organization (2006)[70]

Arts organizations in Canada receive only a portion of their funding from the federal government. Other levels of government, private donors and audiences themselves are responsible for the greatest shares.



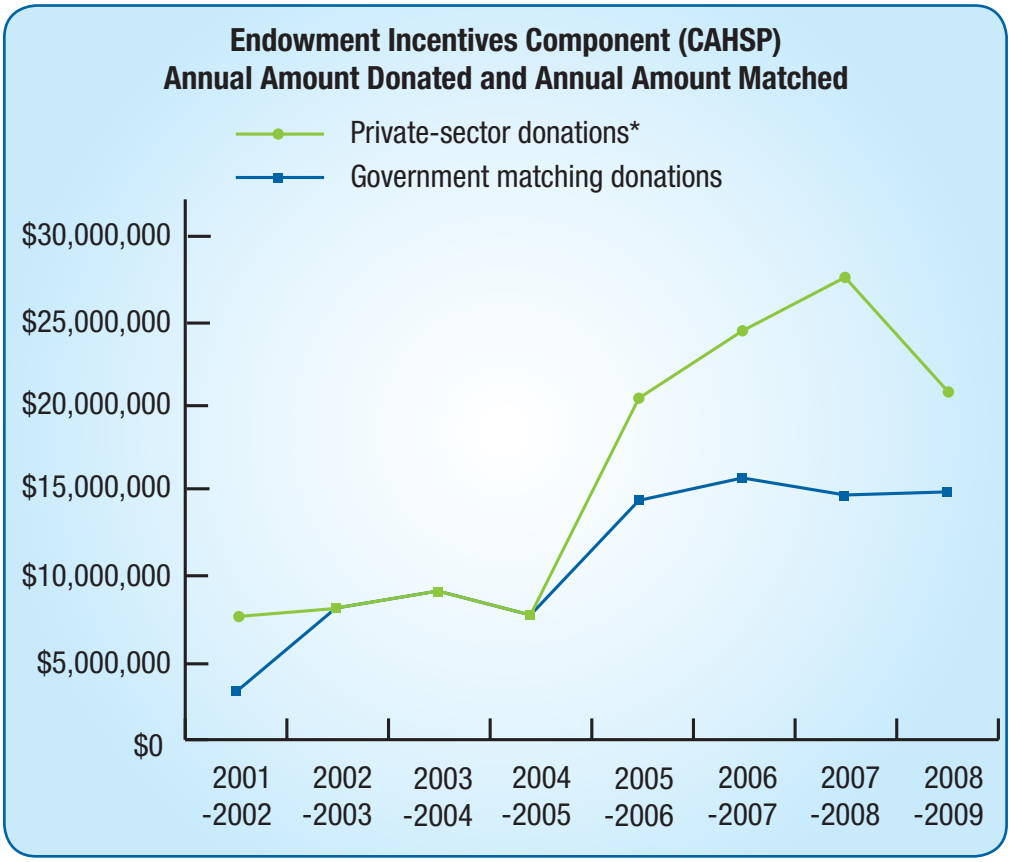
Leveraging public investments

While a typical arts organization might receive only a small percentage of its budget from the Government of Canada, that funding often helps attract investment from other partners, such as the private sector. In 2008-2009, for the fourth consecutive year, private-sector contributions to arts organizations' endowment funds exceeded the total budget of the Endowment Incentives component of the Canadian Arts and Heritage Sustainability Program (CAHSP). In turn, the federal government matched 72 cents to every dollar raised from other sources. Since the program's inception in 2001-2002, the Government's contribution of $88.6 million has leveraged $128 million in private-sector donations for a total combined investment of $216.6 million.

Using this program's grants as a powerful leverage tool, arts organizations can invite private donors to contribute to their endowment funds by informing them that their donations will be matched by the federal government. These endowment funds,

in turn, provide a stable, long-term source of funding for the arts organization – ensuring their continued operations in Canadian communities.

The funds raised in 2008-2009 went to 80 arts organizations. This represents an 18 percent decrease in number of applications and a 25 percent decline in the amount of donations compared to 2007-2008, likely due to external economic conditions. However, with fewer applicants the amounts of matching funds allocated to each recipient increased.



Building organizational capacity

Business skills, including expertise in planning and governance, contribute to the long-term health of arts organizations. In 2008-2009, the Sector directed more than $5 million to capacity building for arts organizations (104 projects) and heritage groups (52 projects). Projects included business, strategic and human resource plans, adoption of new financing and ticketing systems, and employee training and audience development strategies. This investment brings the Sector's total capacity-building investment since the program's inception in 2002-2003 to nearly $42 million for 1,200 initiatives. These initiatives strengthen the business capacity of arts organizations—enabling them to adapt, change, grow and succeed in their communities—and ensure that they continue to provide interesting and popular cultural offerings for Canadians to attend.

CAHSP also undertook a Summative Evaluation in 2008-2009. The evaluation confirmed the ongoing need for a program such as CAHSP to help organizations improve their effectiveness and identify the necessary funding sources to face new

* Per eligible applications only.

Used by permission of Canada's National Ballet School. Photo Credit: Cylla Von Tiedemann

challenges. Developing the organizational health of these organizations requires additional effort and continuous attention.

Success story: *National Theatre School of Canada*

Approaching its 50th anniversary, the National Theatre School of Canada in Montréal remains one of the few institutions in the world that unites all the theatre arts under one roof. Stable, ongoing funding from the National Arts Training Contribution Program enables some 160 English- and French-speaking students to pursue training in areas such as acting, playwriting and production.

Training tomorrow's artists

The National Arts Training Contribution Program (NATCP) provides support for the training of Canada's most promising artists. In 2008-2009, it distributed $18.4 million among 37 organizations, enabling some 5,000 artists to participate in professional training in their fields. A survey of Canadian arts employers undertaken by the NATCP in 2009 indicated that the majority view graduates of funded training institutions positively and consider them better prepared for professional careers in the arts.[71] NATCP-funded institutions were consistently ranked higher than others for graduates' technical expertise in their discipline, professionalism and career readiness, and performance qualifications (overall satisfaction with graduates of NATCP-funded institutions was 87 percent compared to 76 percent for those from other arts training institutions). The program's ultimate outcome is that Canadians and the world benefit from high-quality artistic achievements by Canadian artists trained in Canada. A 2007 evaluation found that NATCP graduates are more likely to earn a living wholly from the practice of their art within three years, compared to their peers from unfunded schools who are more likely to seek work not related to

***Maison du Festival Rio Tinto Alcan**. Used by permission of the Festival International de Jazz de Montréal. Photo Credit: Victor Diaz-Lamich.*

their art. The evaluation also found that the NATCP has an invaluable and significant impact on Canadians' access to high-quality artistic and cultural products.

Success story:
Sparking Aboriginal youths' interest in jazz

With support from Arts Presentation Canada, the Coastal Jazz and Blues Society produces the Vancouver International Jazz Festival each year. One-third of the $300,000 funding for 2008-2009 was earmarked for engaging the community. As part of that effort, the Society expanded its High School Jazz intensive residency program: its workshops, for Aboriginal youth, take place across northern and central British Columbia, providing students with an opportunity to work with professional jazz musicians.

Year in review: Access

Arts and culture play an important role at the community level. Many municipal governments recognize this fact and have built arts and culture into their plans. The Cultural Capitals of Canada (CCC) program helps communities sustain local cultural activities and ensure their citizens benefit from access to the arts. The very process of applying for 'cultural capital' designation often strengthens community partnerships, particularly between municipal governments and arts and heritage groups.[72]

In 2008-2009, five communities were designated Cultural Capitals of Canada; total contributions approved amounted to $4.25 million. These communities

***Maison du Festival Rio Tinto Alcan**. Used by permission of the Festival International de Jazz de Montréal. Photo Credit: Victor Diaz-Lamich.*

have demonstrated a solid commitment to arts and culture—successful capitals have incorporated culture into municipal planning and strengthened relationships between local municipal governments and arts and heritage organizations. Since the inception of the program in 2002-2003, there have been 140 eligible applications and 34 CCC designations awarded, for a total of $21 million.

Cultural Capitals of Canada, 2009			
Municipality	**Province**	**Category (population size)**	**Maximum contribution**
Trois-Rivières	QC	125,000 +	$2 million
Coquitlam	BC	50,000 – 125,000	$750,000
Caraquet	NB	< 50,000	$500,000
Fredericton	NB	< 50,000	$500,000
Whistler	BC	< 50,000	$500,000

A summative evaluation in 2008-2009 assessed the relevance and impact of the CCC program, confirming the positive impact CCC designations have on communities, including bringing together stakeholders who had not previously worked together. Findings of the evaluation also confirmed CCC's positive impact in terms of incorporating culture into municipal planning and strengthening relationships between local municipal governments and arts and heritage organizations.

Also at the municipal level, in 2008-2009, the Sector continued to support the Creative City Network of Canada and *Les Arts et la Ville*. With total funding of $258,819, these programs provided more than 500 member municipalities support and resources needed to expand their involvement and investment in cultural development.

*Used by permission of **Alianait Arts Festival.***

Connecting artists and people

Arts Presentation Canada (APC) funds festivals and arts series. In 2008-2009, it supported 599 presenting organizations in some 237 municipalities. These numbers represent a more than threefold increase in funding recipients since the program began fostering greater access to cultural works in 2001-2002. APC enables Canadian festivals and performing arts series to provide program variety and interaction between artists and citizens.

A 2008 survey of audience members attending APC-funded music presentations reported an increase in the number of performances featuring new musical styles, artists from a variety of geographical and cultural backgrounds, and younger or emerging musicians. Increased programming variety and attendance at outreach activities were also noted as factors likely to bring participants back to the event in subsequent years. In addition to helping increase the variety of artistic experiences offered to Canadians, the 2008 summative evaluation noted that APC-funded organizations and events provided economic development spin-off opportunities within their local economy, inspired innovative partnerships and helped create a better quality of life through revitalized communities.

"Because of these [Arts Presentation Canada] festivals, artists and audiences have been able to connect, making the regional differences that have divided us in the past less significant."

Franco Boni,
Theatre Centre, Toronto, Ontario

Supporting places for performance

Cultural Spaces Canada funds the physical infrastructure that professional arts and heritage organizations need so that Canadians can experience their work. Supported facilities range from studios to stages and museums to archives. Funding is also available for specialized equipment, such as digital lighting system or portable dance floors. In 2008-2009, the CSC program contributed to 97 infrastructure improvement projects across the country, committing more than $29 million. These projects improve arts and cultural infrastructure to allow for greater creativity, access and artistic innovation.

A summative evaluation of the program completed in 2008 found that CSC-funded projects have led directly to improvements in the quality or standard of arts and heritage infrastructure for participating organizations, and increased their effectiveness.

Success story:
A new home for Aboriginal performing artists

In Manitowaning, Ontario, with support from Cultural Spaces Canada, the historic Reynolds-Mastin Complex has been transformed into the De-ba-jeh-mu-jig Creation Centre. Completed in 2008-2009, the Centre offers state-of-the-art training facilities for Aboriginal performing artists from across the country.

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