



CULTURE

Quarterly Bulletin from the Culture Statistics Program ^{NOV} 21 1997

Catalogue no. 87-004-XPB

Autumn 1997

Vol 9 No. 3

The 1990s - A Decade of Shifting Patterns of Financial Support for Culture

Michel Durand, Chief, Research and Communication Section

The stimulus toward artistic expression in a society and the community enjoyment of the creative outputs of its artists are of recognized social importance. This is why most governments the world over take an active part in fostering the efforts of individuals, organizations and institutions devoted to artistic and creative endeavours and to exhibiting and preserving cultural products and services.

Public expenditures on culture in Canada have been present from the time of Confederation, and have become increasingly important since the Second World War. We witnessed, particularly in the 1970s and 1980s, a significant increase in the number of cultural firms and in the size of the labour force operating or working in the culture sector. Culture-related occupations in Canada expanded by almost 100% during the 1980s, while the total labour force increased by less than 50%.

In the main, government cultural policy aims at: promoting an economic environment nationally and locally conducive to the creative efforts of Canada's artistic and cultural community; supporting international cultural trade and investment endeavours; maintaining a system of Canadian content and ownership regulations; and ensuring that Canada's heritage is preserved and made accessible.

Governments support these cultural objectives by means of a number of instruments including: direct ownership (e.g., as the proprietor of organizations such as archives, libraries, broadcasting and film services such as the CBC and the National Film Board, and heritage and performing arts institutions and facilities); grants (e.g., to artists and operating and capital contributions to arts and heritage organizations and to cultural industries including publishers, and film and record producers); regulation (such as the CRTC monitoring of the broadcast industry, copyright legislation to protect the interests of creators, the Cultural Property Export Review Board to protect valuable heritage artifacts from export, and provincial guidelines related to textbook purchases and film distribution); taxation (e.g., imposing or waving import and excise taxes on cultural products, allowing income tax deductions for charitable donations and special measures such as the Investment Tax Credit¹

for feature films, and foregoing tax revenues such as amusement, property or sales taxes on cultural activities); and special services (such as the Canada Council for the Arts Touring Office for the performing arts, international promotion, and business services including advice and loan programs).

Basic questions from those interested in government spending in the culture sector include the following: How extensive is spending on culture-related activities? How does it vary from one culture sector to another, and from province to province? Has spending changed over time, and how have the difficult economic circumstances of the early Nineties affected cultural budgets? Have consecutive yearly reductions in government funding begun to erode the cultural infrastructure in Canada (e.g., the number of creative and performing artists, the producers and distributors of Canadian cultural products and services), or the viability of cultural organizations and institutions operating in Canada? On the other hand, have individual Canadians or the private sector maintained or increased funding through donations or increased participation?

¹ Replacement of the Capital Cost Allowance (CCA) program with a new refundable investment tax credit for film and video in September, 1995 was intended to encourage the growth of a strong Canadian-owned production sector. The main objective of the Tax Credit is to provide a tax benefit that encourages the development of Canadian owned and controlled industry, as well as complementing existing provincial credit programs in Quebec, Nova Scotia, and Ontario.

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Government Spending on Culture

The Government Expenditures Surveys of the Culture Statistics Program are revealing reductions in government infrastructure and support programs. In terms of real growth, culture has been losing ground to inflation for the past six years. In total, the federal, provincial/territorial, and municipal governments spent \$5.8 billion (net of inter-governmental transfers) on culture in 1995-96. Adjusted for inflation, total government spending on culture fell about 5% between 1990-91 and 1995-96.

While the Gross Domestic Product (GDP) grew by 15% between 1990 and 1995 and the consumer price index by 12%, total expenditures for culture (in current dollars) by the three levels of government rose by 4%, with the federal and provincial governments increasing by only 1%. Over the same period, municipal government expenditures on culture increased 15%. (Refer to Table 1 for data on all levels of government spending on culture.)

Changes in the level of support varied not only by sector (e.g., cultural industries, arts and heritage), but also in infrastructure costs for governments' own activities (e.g., operating and capital

expenditures required to maintain the instruments and cultural programs noted earlier) and in grants and contributions to industries, institutions or individuals. In 1995-96 just over 13% of federal expenditures took the form of grants, contributions and other transfers, while for the provincial governments they were 59%.

Federal Expenditures

The expenditure pattern over time for the federal government has emphasized the cultural industries (book and periodical publishing, film and video production, broadcasting, and the sound recording industry), which accounted for over 70% of total federal culture spending in 1995-96. This was a 5% increase over the 1990-91 amount, compared to a reduction of about 7% in federal spending for arts, heritage and other cultural activities. Overall federal expenditures on culture increased by 1% over this period.

More specifically, between 1990-91 and 1995-96:

- Federal government infrastructure costs (operating and capital expenditures) increased 3%, while grants and contributions dropped 11%. Infrastructure costs do not quite

reflect fiscal restraint efforts, as the costs associated with buyouts, special retirement incentives or severance packages increased operating expenses by an estimated \$200 million in 1995-96;

- Granting programs were cut quite severely in some areas: 61% for arts education, 47% for multiculturalism, 35% for multidisciplinary activities², 18% for visual arts and crafts, 14% for film and video, 12% for sound recording, and 8% for broadcasting;
- Federal grants and contributions decreased by almost 2 percentage points, to account for about 13% of total federal spending on culture by 1995-96;
- Still accounting for the largest share (70%) of federal spending, total federal expenditures on the cultural industries increased 5% over this period. Direct support to these industries (grants and contributions), however, shrank by 6%;

² Includes cultural facilities, centres, festivals, cultural exchange programs.

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Table 1
Government expenditures in the culture sector, 1990-91 to 1995-96

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	% change 1990-91 to 1995-96
	\$000,000						
Federal	2,892.7	2,884.0	2,882.6	2,831.2	2,875.0	2,923.0	1.0
<i>Industries*</i>							
Grants, contributions and transfers	207.3	213.9	220.7	214.6	206.0	194.1	-6.4
Operating & capital	1,748.1	1,739.7	1,747.2	1,711.9	1,779.6	1,861.6	6.5
Total	1,955.4	1,953.6	1,967.9	1,926.5	1,985.6	2,055.7	5.1
<i>Arts, heritage, libraries and other</i>							
Grants, contributions and transfers	212.0	220.4	217.8	191.9	188.0	179.0	-15.6
Operating & capital	725.4	710.1	696.9	712.8	701.4	688.4	-5.1
Total	937.4	930.5	914.7	904.7	889.4	867.4	-7.5
Provincial/Territorial	1,767.8	1,908.3	1,960.4	1,923.5	1,863.5	1,789.4	1.2
<i>Industries</i>							
Grants, contributions and transfers	83.0	101.6	100.3	99.1	101.7	90.0	8.4
Operating & capital	222.7	223.6	224.9	230.6	227.4	200.6	-9.9
Total	305.7	325.2	325.2	329.7	329.1	290.6	-4.9
<i>Arts, heritage, libraries and other</i>							
Grants, contributions and transfers	1,022.6	1,036.9	1,062.8	1,062.8	1,007.5	973.3	-4.8
Operating & capital	439.5	546.2	572.4	531.1	526.9	525.4	19.5
Total	1,462.1	1,583.1	1,635.2	1,593.9	1,534.4	1,498.7	2.5
Municipal**							
Total	1,237.3	1,262.9	1,362.7	1,413.5	1,427.0	1,420.4	14.8

* Includes broadcasting, book and periodical publishing, film and video production and the sound recording industry.

** Municipal spending is on a calendar year basis.

- Total federal expenditures on arts, heritage and other cultural activities (libraries, performing arts, heritage, arts education, visual arts, multiculturalism, and multidisciplinary activities), representing 30% of total federal cultural expenditures in 1995-96, decreased by almost 8%. Direct support to these activities declined even more (16%);
- Some provinces and territories were more affected by fiscal restraint measures than others. Federal spending on culture-related activities was reduced by 22% in Manitoba and Saskatchewan, 15% in Prince Edward Island, by 12% in both Newfoundland and Nova Scotia, and by 7-10% in New Brunswick, Québec and the Yukon; increases were reported in some provinces and territories - 11% in Ontario, 3% in Alberta, and 2% in both British Columbia and the Northwest Territories.

Provincial/Territorial Expenditures

Provincial/territorial spending on culture totalled \$1.8 billion in 1995-96, down 1% from 1990-91, the third consecutive annual decline after eight annual increases. Total expenditures on the cultural industries decreased by 5%, while spending for the arts, heritage, libraries and other cultural fields increased by almost 3%, the reverse of spending at the federal level.

More specifically, between 1990-91 and 1995-96:

- Provincial/territorial government infrastructure costs, accounting for 41% of total spending, increased by 10%, while grants, contributions and other transfers dropped by 4%;
- Grants, contributions and other transfers represented 59% of expenditures in 1995-96, a significantly larger proportion than the federal government's 13%;
- Spending related to the cultural industries (accounting for 16% of total provincial/territorial expenditures), dropped by 5% (including a 9% decline in broadcasting and 2% in book and periodical publishing);
- Provincial and territorial governments increased their grants, contributions and other transfers to the cultural industries by 8%. But at \$90 million, this amount was still short of the

approximately \$100 million in support provided in each of the years between 1991-92 and 1994-95;

- Total expenditures on arts, heritage, libraries and other cultural activities, representing 84% of provincial/territorial expenditures, increased by 3%. Grants, contributions and other transfers to these activities, however, shrank by 5%;
- Most provinces and the territories managed to increase spending for cultural activities over this period: by 27% in the Yukon; by about 20% in New Brunswick, British Columbia and the Northwest Territories; by about 10% to 12% in Prince Edward Island, Newfoundland, Québec, and Manitoba; and by 2% in Saskatchewan. Nova Scotia and Alberta saw their culture budgets drop by 12% and 19% respectively.

Municipal Expenditures

Municipalities spent \$1.4 billion on culture in 1995-96. Most local government expenditures (75%) were for libraries. Expenditure increases reported by municipalities between 1990-91 and 1995-96 were significantly stronger than for either the federal or provincial governments. The overall increase was 15%, although 1995-96 was the first year municipalities reported a cut in spending (0.5% below the previous year).

Although most municipalities had increased their level of spending when compared to five years earlier, municipalities in Québec, the Yukon and the Northwest Territories had reduced their allocations.

Private Sector Support

As government revenue sources begin to soften and the cost of producing cultural works continues to escalate, private sector donations, particularly in the area of heritage and not-for-profit performing arts, are assuming growing importance for the culture sector.

More specifically:

- For the performing arts, 87% of organizations relied on revenue from fund-raising and donations in 1994-95, and this source of income accounted for almost 18% of the operating expenditures of these companies.
- Institutional, corporate and individual donations accounted for 8% of

operating expenses of heritage institutions, with over 60% of them receiving this type of funding in 1993-94. Donations increased 6% between 1990-91 and 1993-94 (the last year for which we have data).

Consumer Spending

The growth in the cultural sector in the 1980s was, according to many researchers, projected to continue, fuelled by rising levels of education, changes in the composition of the labour force, increases in the leisure time of an aging population, and changes in the nature of consumption. During the expansion years of the 1980s, consumer spending on recreation and culture in Canada recorded an average annual growth rate of almost 10%, which was almost one full percentage point more than for total consumer expenditures.

However, as a result of hard economic times and weakened consumer confidence, personal expenditures on goods and services (all items) grew only moderately (3% annually) between 1990 and 1995, reaching \$466 billion in 1995. Nonetheless, the value of purchased recreational and cultural³ goods and services averaged an almost 5% annual increase over this period, exceeding \$54 billion in 1995. Thus, Canadians continued to consume offerings of cultural organizations and institutions, even in a slow economic period. Although data suggest that expenditures on culture and recreation overall are still increasing, and that culture's share of the total outlay of consumer dollars continues to grow, this may not be the case for participation levels. The discrepancy between participation levels and expenditure levels is partly explained by substantial price increases for recreational and cultural goods and services. Between 1990 and 1994, while the overall Consumer Price Index (all items) increased moderately (2% annually), the price of spectator entertainment (excluding sports) grew over twice as fast (5% annually). As organizations face higher costs of production along with reduced financial assistance, they will need to increase their revenues from either the consumer (through increased participation or

³ Recreation and culture includes recreation, entertainment, education and culture activities as published by National Accounts. Data from Statistics Canada Internet CANSIM tables.

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increased prices) or rely more heavily on private sector sources (e.g., corporate and personal donations). As the economic situation began to show signs of recovery in 1996 with increased consumer confidence and spending, some are predicting renewed growth for the culture sector.

Government cuts and slower economic growth affect cultural sectors differently

For many cultural industries and institutions, government assistance remains essential for their survival, although to varying degrees. The proportion of grants and subsidies to total revenue, for example, varies considerably by discipline, ranging from a few percentage points for the cultural industries, to 25-35% for festivals and not-for-profit performing arts, to over 75% for heritage institutions. It is Canadian companies in the cultural industries sector that finance the majority of less profitable Canadian cultural products. Without government financial contributions, these products might not be created or distributed. In spite of increases in consumer spending, other economic factors (e.g., reduced funding, higher costs of production, increased competition associated with globalization and imported cultural goods) have led to a decline over the last few years in the number of firms in several cultural sectors, as well as a decline in the overall number and diversity of Canadian cultural outputs. These factors alone will make further gains in Canadian content market share quite challenging for Canadian companies in the years to come. Canadian content stands at 46% for book sales by publishers and exclusive agents in Canada, 13% of sales of recordings by record companies, 49%, 18%, and 5% for percentage of TV viewing time devoted to Canadian variety, drama and comedy programming, respectively, and is estimated to be around 5% of admission receipts for theatrical movies. Only marginal gains have been made in most sectors this decade. Further gains will likely depend on continued government assistance and strong performances in both the domestic and international markets.

To remain competitive and financially healthy, industries and institutions are also having to restructure and rethink their programs and curtail expenditures. As a result, the cultural labour force is showing only marginal increases or even shrinkage in some fields. Labour costs are being cut and the immediate

impact, as depicted by the monthly Labour Force Survey⁴, is that full-time employment in the culture sector dropped by 5% between 1990 and 1996, while part-time employment increased 23% over the same period. The number of self-employed individuals (full-time and part-time) also expanded significantly, increasing 35%. Overall, while the number of individuals employed in Canada grew by about 2% between 1990 and 1996, the number of people working in the culture sector increased over twice as much, at 5% (although most of the increase is accounted for by growth in part-time employment and self-employment). These rates of growth constitute a sharp contrast from the previous decade, when the data showed a 100% increase in the cultural labour force (compared to an increase of 50% for the total labour force).

Heritage institutions (excluding parks) and performing arts companies are particularly susceptible to cuts. Data indicate that the heritage institutions⁵ in Canada have needed to increase their revenues from admissions and individual and corporate donations as governments at all levels have continued to exercise fiscal restraint. Capital expenditures for heritage institutions in 1993-94⁶ were fully 37% below their 1990-91 levels, although operating revenues from unearned sources (federal, provincial, and other) did increase between 1990-91 and 1993-94, by 8%. At the same time, heritage institutions increased their earned operating revenues⁷ by 17%. Museums are competing with many other entertainment and recreational attractions, and will have to keep pace with Canadians' changing range of interests if they wish to maintain or increase their current level of national public appeal.

The not-for-profit (NFP) performing arts sector faces three broadly identifiable pressures: a levelling off of government grants; a limited consumer entertainment dollar; and the difficulty posed of maintaining a competitive product in the face of rising production costs. NFP performing arts depend, to various degrees, on grants supplied by government agencies and arts councils, and on donations by corporations and individuals. These revenues constitute over 50% of their total operating revenues. As a result of a levelling off of public funding, there has been some decline in the size of grants to performing arts companies and to individual artists (e.g., Canada Council for the Arts

programs and the Public Initiatives Program of the Department of Canadian Heritage). Perhaps more importantly, there has also been a shrinkage in the amount of output, with the number of home performances dropping by 5%⁸ and tour performances by 12% below their 1990-91 levels. Even with a reduction in output in an attempt to curtail costs, performing arts organizations still face costs that are rising faster than their government funding. The need for increased audiences will become even more pronounced if governments continue to cut granting programs and as competition from other entertainment options increases.

Conclusion

The Canadian cultural landscape is populated by support institutions, professional artists, performers, managers, support industries and institutions dedicated to the creation and maintenance of the distinctively Canadian story, one that reflects our collective experiences as a people. The successes we have enjoyed over the years in Canada and abroad are due in large part to the quality of our creative efforts and to the legislative, fiscal, and program measures of all levels of government.

A number of conditions nationally and worldwide are impacting upon the Canadian culture sector: the growing ethnic diversity of the Canadian population; the aging of a large and economically significant generation of Canadians; the impact, for better and for worse, of advances in technology upon the cultural landscape; and the evolution of policies designed to protect and promote Canadian culture at home and abroad. Global forces are now changing the environment in which Canadian culture exists. In the borderless world of new communication technologies, Canadians will gain access to cultural products and services in every conceivable form, as will others around the world see and hear our products. The success of our competition in this brave new

⁴ Data tabulations from Labour Force Survey, Statistics Canada.

⁵ Includes museums, public archives, historic parks, botanical gardens, planetariums, zoos, aquariums, etc.

⁶ Data from Statistics Canada's Survey of Heritage Institutions.

⁷ Includes membership fees, admissions, concession sales and other earned revenue.

⁸ Data from Statistics Canada's Performing Arts Survey.

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world will depend, as in the past, upon the creative talent among the Canadian population and the continuing encouragement received from all levels of government, from businesses, and from enthusiastic Canadian and international patrons. □

Towards a Framework for Cultural Statistics

Max Sudol, Culture Statistics Program

Culture-related issues have become high profile these days. Along with this prominence comes the need for a wide range of data to help measure the economic importance of culture in Canada as well as other dimensions of cultural activity. Statistics Canada has been commissioned by clients with a variety of information needs to provide data on different aspects of the Canadian cultural sector, including international trade, economic impact, the cultural labour force, and consumer spending habits, to name a few. With so many different data applications being requested by so many different clients, it is important to have a standard framework for culture statistics so that all the different applications are rooted fundamentally in common concepts.

The challenge for Statistics Canada is to come up with a workable framework for cultural statistics, that is based on standard terminology and usable for the wide variety of data applications required. The resulting statistics will then be comparable among different geographies (such as provinces and cities) and among applications, minimizing confusion and mis-interpretation of the data.

Drawing on the expertise of federal and private sector personnel and from an international framework for cultural statistics developed by UNESCO, Statistics Canada has developed a preliminary Canadian framework for cultural statistics. As part of the process, a selection criterion was created to ensure that fair and consistent decisions were made regarding inclusion of various activities and industries in the framework:

Culture is composed of the activities and outputs rooted in or inspired by artistic creative expression and heritage conservation, including the people,

products and services that contribute wholly or in part to those activities and outputs.

Within the confines of this selection criterion, a preliminary framework has been developed, as outlined below. Depending on the particular data application, areas covered might include activities for the creation of art and intellectual property (by artists, authors, musicians, etc.), creative production and distribution (book publishers, record companies, heritage institutions, etc.), manufacturing (CD ROM factories, printers, etc.), wholesale, retail (record stores, book stores, etc.) and services.

The next step in the definition process is to communicate this framework to as wide an audience as possible in order to get feedback. Revised as necessary based on comments received, the resulting final framework for cultural statistics can then be used to produce various data on Canada's cultural activities, helping to ensure that these data are standard and comparable amongst national, provincial and municipal levels.

Framework for Cultural Statistics and Analytical Studies

CULTURAL ACTIVITIES AND SUPPORTING INFRASTRUCTURE:

Arts and Cultural Industries

written media
film
broadcasting
music industry
performing arts
visual arts and crafts
festivals

Other Artistic Activities

architecture
design
photography
advertising

Heritage

museums and galleries
libraries and archives
natural areas (parks, botanical gardens, zoos, historic sites, observatories, etc.)

Supporting Infrastructure

arts and culture education
government
equipment
professional associations
agents, presenters and promoters
other (ticket agents, etc.)

If you have any comments or questions about the preliminary framework or if you would like to receive a more detailed paper on this issue, please contact Max Sudol by phone (613) 951-9173; or fax (613) 951-9040; or E-mail sudomax@statcan.ca.

Please note: the deadline for submitting feedback is December 1, 1997. □

NAICS and PIPES - What do These Words Mean?

John Gordon, Acting Chief, Culture Surveys

NAICS and PIPES are two new acronyms which have been added recently to the vocabulary of Culture Statistics Program (CSP) staff. Both are harbingers of good things to come and will lead to better data on the culture sector as we move into the next millennium. This article should help you understand what the two terms mean and how they might affect you in the near future.

NAICS

NAICS or the North American Industrial Classification System will be known already to regular readers of *Focus on Culture* (earlier articles can be found in Vol. 8, N° 1 and Vol. 8, N° 2) but a brief overview is presented for the new reader. NAICS is a system by which all businesses are classified and provides a framework for grouping much of the data that Statistics Canada publishes. In addition to replacing the 1980 Standard Industrial Classification (SIC) system for Canadian statistics, it will also be used by statistical offices in the United States and Mexico. This means that international comparisons among the three countries will be much easier than ever before.

The CSP took an active involvement in the development of the new classification system and the resulting structure describes the culture sector much better than previously. Most of the activities of interest to the CSP are grouped within two sectors: **51 Information and Cultural Industries** and **71 Arts, Entertainment and Recreation**. (More detailed information on the NAICS structure can be found on the Statistics Canada website at www.statcan.ca as well as in the previous issues of *Focus on Culture* mentioned above.)

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Although the new system is a great improvement, there are still some parts of culture that do not fit perfectly into the industrial structures. In some areas, the CSP's scope of interest covers only part of a NAICS category (for example, the Performing Arts Survey covers only the not-for-profit portions of the related NAICS categories) and in others the scope exceeds a single NAICS classification (for example, the extensive book-club activities of some publishers may result in them being classified as wholesalers rather than as part of the Publishing Industries).

This lack of perfect fit will not have a negative impact on Culture Statistics Program surveys. The criteria for inclusion in a CSP survey have always been, and will continue to be based on the activities of the respondent, not an industry classification. However, when we publish our survey results we will, where possible, provide a breakdown of the data by the NAICS classification of the establishments included in the survey. An exception to this approach would be made when the number of respondents in a particular category is so small that a detailed breakdown would compromise respondent confidentiality.

An additional benefit is that most other data collected by Statistics Canada (and Mexico and the United States) will be classified according to NAICS and the improved representation of culture within this structure will permit easier use of all data by those interested in the culture sector.

PIPES

PIPES, the second acronym, stands for the Project to Improve Provincial Economic Statistics. The impetus for the project was the need to allocate revenues collected under the new Harmonized Sales Tax (HST) program (now in effect in Newfoundland, New Brunswick and Nova Scotia). In order to provide a reliable method for doing this, accurate data are required for NAICS industries in each province. As a result, many business surveys will be revamped and some household surveys such as the Family Expenditures Survey will move to an annual cycle.

As the CSP surveys are all censuses (with the exception of the pilot quarterly sample survey of film distributors) we can already produce data at the provincial level although we can't always publish them for reasons of confidentiality. PIPES

will, however, provide other benefits to clients of the CSP. Before discussing these benefits, let me offer a short primer on PIPES.

A PIPES Primer

Statistics Canada currently runs more than 200 business surveys and although we regularly produce consolidated data for the economy as a whole, the operation is still less well integrated than it might be. The requirements for better provincial data and the new NAICS industry definitions have provided an opportune time to restructure the business surveys into a more coherent and consistent system.

Instead of collecting data by means of numerous distinct business surveys, there will be a new single integrated survey of all enterprises. This integrated survey will have three parts:

1. A census of the headquarters of the approximately 10,000 complex enterprises (defined as having production or service entities in more than one industry and/or in more than one province);
2. A large sample survey or census of the approximately 60,000 establishments associated with the complex enterprises in Part 1; and
3. A sample survey of the approximately 2,000,000 simple enterprises, each having production entities or activities in only one industry and province.

Note: CSP will continue to conduct a census of companies in the culture sector as the level of detail required cannot be reliably estimated from a sample.

Part 1 will gather consolidated data on the operations of the enterprise as well as information about its structure while Part 2 will collect the bulk of the information about the various operating components. Part 3 will be similar to Part 2 but will not need to collect information about the organizational structure of the enterprise as only non-complex enterprises will be included.

The forms for Parts 2 and 3 will contain a series of modules, each collecting information on different portions of a respondent's operations. In addition to a module on revenues and expenditures, there will be one on the type of products or services provided by a company, another on international transactions, and so on. Questions particular to a specific area (e.g., periodical publishing) will be grouped into a special module for that area.

For our respondents this means that the more general financial data will be regrouped within a generic financial module while the more culture-related data will remain in a separate module. The details are still being worked out and we will provide you with updates.

Respondent Burden

In order to eliminate some of the duplication of effort on the part of respondents, there will be increased use made of data provided to Revenue Canada through income tax and GST/HST forms. Statistics Canada is working closely with Revenue Canada on the development of a framework for financial data which will mean that the same breakdown of financial data will meet the needs of both organizations. Through this approach we hope to decrease the overall amount of work required by companies.

Changes for Data Users

What will all this mean to you as a data user? First, we should assure you that one of the underlying principles of this work is that client needs will not be sacrificed as a result of these changes. Major data series will continue. At the most detailed level, some changes may be made to meet the requirements for consistency across all sectors but any loss here should be more than made up for by the ability to make easier and better cross-sector comparisons. As a definite plus, our work with Revenue Canada should also produce balance-sheet information for companies in the culture sector.

The new industry definitions will have little or no effect on our existing data series since the criteria for inclusion in a particular survey will remain activity based rather than industry based. For example, our survey of Book Publishers and Exclusive Agents covers all undertakings with publishing activities in Canada and/or activities as exclusive agents. Even though a company might be officially placed in a "non-culture" sector (e.g., a book publisher with large book-club division might be classified as a wholesaler under NAICS), as long as it maintains significant culture-related activity, it will still receive the series of questions relating to that activity. In this particular example, two data series would be published: one for the more closely-defined industry (i.e., **Book Publishing NAICS 51113**), and one to continue our existing series with the broader definition encompassing all book-publishing activity.

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An additional advantage will come through changes made to Statistics Canada's Business Register (BR) which is a data bank of businesses in Canada. In the past, not-for-profit companies, companies without any employees, and smaller companies were not included on the BR but they will be in the future. With these limitations now removed, the BR should become a considerable asset in maintaining our survey population lists. It will be particularly useful in identifying newly established companies. Any establishment that applies for a Revenue Canada Business Number (which now encompasses the old GST number), opens a payroll account with Revenue Canada, or files an income tax return for the first time will be automatically added to the BR and classified according to its activities.

Although the BR will be a useful tool, we will also continue our traditional methods of identifying new companies by using association membership lists, lists of applicants to granting bodies, media coverage of the sector, etc. This will be necessary because as noted above, not all of the companies of interest to us will be classified in easily identifiable "culture" industries.

Two of our current surveys address only the not-for-profit portion of an industry. These are our surveys of the performing arts sector and heritage institutions. Since NAICS definitions make no distinction between for-profit and not-for-profit undertakings, measures of the for-profit portions of these industries will also be available. While these for-profit companies will not receive all the "culture-related" questions sent to our traditional respondents, there will be sufficient data available to permit a more

complete economic profile of these sectors than previously.

Changes for Respondents

What will all this mean if your company or institution is a respondent to a CSP survey? The first thing you will probably notice is that your questionnaire will look considerably different than it has in the past. Assuming that your organization files an income tax form, however, the actual amount of data requested could be less than what is now being requested. If you are currently completing more than one Statistics Canada questionnaire, all of the requested information should now be in the one questionnaire. You may also be offered an opportunity to complete an electronic version.

As all respondents will now receive exactly the same general business questions, it is conceivable that the wording of a question may be different from what you have seen in the past and there is the possibility of minor changes in data definitions and concepts.

Another means of reducing respondent burden will be the customizing of questionnaires for individual respondents. For example if we know that a publisher deals only in academic text books, we won't include any questions asking how many trade books were published. At

the beginning, this process will be limited to the inclusion of only the appropriate modules, but eventually, companies will receive a questionnaire precisely tailored to their specific operations.

Timing

A pilot survey of "complex" enterprises (Part 1) will be carried out under PIPES in 1998 but units of these enterprises (Part 2) will be surveyed only if they are in a few designated industries, none of them in the culture sector. Early 1999 should see the full implementation of PIPES and all respondents will be asked to supply data for 1998 or for their fiscal year ending between January 1, 1998 and December 31, 1998 using the new questionnaires. The first data on the culture sector under these new programs should be available in the year 2000.

There are undoubtedly questions that still remain about what NAICS and PIPES will mean for Culture Statistics Program respondents and clients; by the time you read this there may be some more answers. When available, updates will be published in future issues of *Focus on Culture*. You can also contact John Gordon by phone: (613) 951-1565, by fax: (613) 951-9040, by electronic mail: gordonj@statcan.ca, or by regular mail at 17A R.H. Coats Building, Ottawa, ON K1A 0T6. □

PUBLICATIONS

87-211 Canada's Culture, Heritage and Identity:
A Statistical Perspective (107 pg)

\$30.00

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Mary Cromie
Editor, *Focus on Culture*
Culture Statistics Program
R.H. Coats Building, 17 D
Statistics Canada
Ottawa, ON K1A 0T6

(613) 951-6864 (telephone) or
(613) 951-9040 (fax) or crommar@statcan.ca



For information on special data tabulations or the content of specific surveys, please contact any of the following:

Paul McPhie	Assistant Director, Culture	951-9038	mcphpau@statcan.ca
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Culture Surveys

John Gordon	Acting Chief	951-1565	gordonj@statcan.ca
David Coish	Book Publishing	951-3028	coisdav@statcan.ca
David Coish	Periodical Publishing	951-3028	coisdav@statcan.ca
Michael Pedersen	Film and Video	951-3305	pedemic@statcan.ca
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Focus on Culture (Catalogue 87-004) ISSN 0843-7548 is published four times a year under the authority of the Minister responsible for Statistics Canada, © Minister of Industry, 1997.

Editor: Mary Cromie, (613) 951-6864

Subscription Rates: Canada: \$9 per issue, \$27 annually. Outside Canada: US\$9 per issue, US\$27 annually. Toll-free order service in Canada: 1-800-267-6677.

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