



**Independent
Media Arts Alliance**
Alliance des arts
médiatiques indépendants

2011 Federal Budget Recommendations

Pre-Budget Submission to the Standing Committee on Finance

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Submitted to:
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INTRODUCTION

The Independent Media Arts Alliance (IMAA) is a non-profit national association working to advance and strengthen the media arts community in Canada.

The IMAA represents over 80 non-profit independent film, video, audio and new media production, distribution, and exhibition organizations in all parts of Canada. Our members are dedicated to advancing creativity and artistic expression by Canadians, serving over 12,000 independent media artists and cultural workers.

Our member organizations, their artists, and the work they create make important contributions to the cultural life of their communities across the country. Our centres provide resources and training for media artists, and are access points for the public to discover the innovative stories and expressions of Canadian creators working with today's media tools and technologies.

The IMAA thanks the Committee for the opportunity to share the following ideas, concerns and priorities for the arts and cultural sector as they relate to the federal government's budgeting process for the upcoming year.

SUMMARY OF RECOMMENDATIONS

The Independent Media Arts Alliance makes the following recommendations to the Standing Committee on Finance's Pre-Budget Consultations:

1 – Canada Council for the Arts

Support the work of the Canada Council for the Arts, by increasing its annual funding by \$30 million in 2011, with a plan to reach a base budget of \$300 million by 2015.

2 – Resources for the preservation of digital heritage

Enable the creation of a national strategy to preserve and make accessible Canada's digital and media arts heritage.

3 – Audience and market development for the cultural sector

Implement programs to support the development of markets for arts and cultural products nationally and internationally for Canadian artists, cultural institutions and industries.

4 – Tax exemptions for artists

Grant professional artists and creators a \$30 thousand annual exemption on income deriving from copyright and residual payments, and a complete tax exemption on arts grants.

CONTEXT

We wish to acknowledge and support the investments the government has made to date in the cultural sector, including the renewal of programs in the Department of Canadian Heritage. We endorse the principles of targeted investment that have been the basis of the current Economic Action Plan.

We understand that the Action Plan will conclude after the end of the current budget year. As these stimulus measures, and government expenditures generally, are re-evaluated in the upcoming budgeting process, we wish to encourage the government to promote continue and expand its investment in the cultural sector and the creative economy.

Why invest in culture?

It is widely accepted that the creative economy is a key part of future prosperity.

The creative economy encompasses both cultural industries (broadcasting, publishing etc.) and the non-profit arts milieu (museums, galleries, artist-run centres, independent artists). Cultural industries bring ideas and experiences to mass-market audiences; the arts milieu provides a network of resources that help independent artists create innovative work, and present it professionally to public audiences.

The arts sector acts as a research and development laboratory for the larger cultural industry sector. Innovation, research and creative development in the arts help renew cultural industries with ideas, concepts and approaches that might not otherwise be developed. The arts sector and the cultural industries are complementary and interdependent: artists and cultural workers are employed in cultural industries, which ultimately depend on their creative contributions.

The future of the Canadian creative economy depends both on profitable and successful cultural industries (that are addressed by government policies and regulations), and on a strong and dynamic arts sector (in which government investment plays a key role). Investments in both of these areas contribute to the overall health and sustainability of the creative economy.

Culture matters for both economic and non-economic reasons. Thriving cultural scenes contribute to their local economies, draw tourism, and help retain creative talent. Culture contributes to the attractiveness of cities and regions to individuals and business to locate there. This applies locally and regionally within Canada, and to Canada as a whole in relation to other countries. A thriving creative economy is the basis of both the effective national expression of the Canadian public, and of Canada's profile, prestige and prosperity internationally.

There ample evidence that cultural spending is among the most effectively and efficiently utilized in providing stimulus results for government investment. Some of the most effective and far-sighted investments you can make with the national government's resources are in arts and culture. We encourage you to consider this perspective in the development of next year's federal budget.

Recommendation 1: Canada Council for the Arts

Support the work of the Canada Council for the Arts, by increasing its annual funding by \$30 million in 2011-12, with a plan to reach a base budget of \$300 million by 2015.

For many years arts groups across Canada have been advocating for a significant increase to the budget of the Canada Council for the Arts.

Together with our colleagues in the arts community, the IMAA affirms that the Canada Council for the Arts provides the most efficient, fair and cost effective way of ensuring that public funds are directed to individual artists and arts organizations, in communities large and small across the country.

In congratulating the government on the vision that has brought the Council's annual appropriation to its current level of approximately \$181 million, we suggest that the ability of the Canadian arts sector to achieve its potential will be greatly enhanced by the allocation of additional resources to support the Council's mission.

The Independent Media Arts Alliance endorses and supports the recommendations made by the Canadian Arts Coalition that the federal government increase the appropriation for the Canada Council's budget by \$30 million in 2011, with a comparable increase in each of the three following years to reach a level of \$300 million in 2015.

Recommendation 2: Resources for the preservation of digital heritage

Enable the creation of a national strategy to preserve and make accessible Canada's digital and media arts heritage.

The documentation, preservation and continued accessibility of Canadian digital culture are pressing concerns today, and will become increasingly urgent as time passes. This situation calls for a new, concerted national approach to digital heritage to ensure continued access to the emerging digital media culture that Canadians are creating.

In a world where culture is increasingly created, shared and experienced through audio-visual and digital media, changing formats and obsolescence are consigning huge portions of Canadian cultural expression to future inaccessibility. There is a role for national policy and resources to fill the gap where no immediate market incentive for preservation activity exists.

Historically significant video, film, sound recording and digital media are found all across the country in organizations, archives, museums and media centres. Artists and organizations in every region of Canada need meaningful access to the resources that will help them address the unique preservation issues in their region, and create new opportunities for access to these audio-visual documents.

Obviously there is no question of preserving a complete record of today's media art and digital culture. But informed decisions should be made, and specific preservation work carried out on the many media productions and digital expressions that make up Canada's cultural history. In the absence of such action, we will shortly find ourselves lacking access to a large part of the contemporary expression of Canada's media artists and audio-visual creators.

A recent initiative of the Academy of Canadian Cinema and Television shows some promise in continuing the work of the former AV Preservation Trust. This however addresses only a very small number of high-profile film and television industry productions. The vast array of film, sound recording, video, and digital media stored in small collections across the country calls for broadly based programs that individual organizations can access in a relevant and flexible way.

The IMAA recommends that funds be allocated to develop and implement a national Digital Heritage initiative. This initiative would provide accessible programs to help organizations across the country design and carry out appropriate preservation work on their media and digital archives and collections, and to make them accessible to current and future generations.

Programs to achieve these objectives could logically be carried out through the Department of Canadian Heritage. In the absence of a developed policy framework, it is difficult to estimate the potential cost requirement, but the relevant Department should be provided with the resources to consult with the Canadian media arts community and establish these parameters.

Recommendation 3: Audience and market development for the cultural sector

Implement programs to support access to markets for arts and cultural products nationally and internationally for Canadian artists, cultural institutions and industries.

Canada's large size and low population density have limited the size of its internal markets for art and cultural goods. This in turn has limited the ability of Canadian artists and cultural producers to develop markets in other countries. Arts organizations and independent artists, as well as cultural industries, have the potential to increase their impact and expand their sales in markets they have previously been unable to access.

Targeted government support will help Canadian artists promote their achievements, build their profile, and expand their opportunities for revenues from sales and engagements abroad. Increased exposure contributes to international recognition of Canada's cultural achievements, and to the sustainability and growth of the Canadian cultural sector as a whole. Government investment here would follow the same principles that justify support for industrial development initiatives in other sectors of the economy.

The IMAA supports and endorses a recommendation made by the Canadian Arts Coalition that federal funds of \$25 million per year be allocated to a targeted strategy promoting Canadian arts and cultural products to international markets. We would also suggest this same principle, and additional resources, be applied to the further development of new markets within Canada itself.

Recommendation 4 – Tax exemptions for artists

Grant professional artists and creators a \$30 thousand annual exemption on income deriving from copyright and residual payments, and a complete tax exemption on arts grants.

Fundamental to the ecology and economics of the arts sector is the production of original artworks by individual artists. Without their work, there would be no basis for the system of organizations and institutions that share their creativity with the public. Through their creative work, artists make a significant investment in the vitality of the arts milieu and of the creative economy as whole. Artists are rarely compensated for the true value of this investment.

According to a study of annual income conducted by The Art Gallery of York University, in 2007 the **average artist made \$25,318 from all sources** (practice income, secondary employment, and all non-work sources). In other words, Canadian artists make significantly less than the national average, which was \$36,301 in that same year.¹

Artists often obtain income from other sources to subsidize their practices. This employment limits the hours artists can dedicate to the development of their professional art practice. While arts council grants are extremely difficult to get (with a success rate of approximately 10%), they have proven to have a long-term impact above and beyond their immediate cash value. The increased studio production afforded by grants helps artists grow their gross studio income through increased sales or artist fees from exhibitions. However, while grants are not always spent in one fiscal year, they are taxed in the year they are received. This taxation is an impediment to artists' career development - which would benefit by full use of funds received.

The IMAA recommends that the Federal Government grant professional artists and creators a \$30,000 annual exemption on revenue deriving from copyright and residual payments derived from their original work, and complete tax exemption for arts grants. This would provide a concrete measure to improve the living wages of artists who are striving to dedicate themselves to their professional work as creators.

CONCLUSION

The IMAA is aware that the government considers the reduction of annual budget deficits a high priority. We also acknowledge that the budgeting process requires decisions to be made between the multiple priorities of many Canadians.

Yet we submit that the recommendations made here are both relatively modest in the context of the overall federal budget, will make an important contribution to Canada's cultural and economic development. We encourage you to consider the value of these measures, as well as the broad context of support for these objectives.

We are grateful for your time, and appreciate your consideration of our submission.

¹ Waging Culture: A report on the Socio-Economic Status on Canadian Visual Artists, Michael Maranda, The Art Gallery of York University, 2009