



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

**Pre-Budget Submission
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Prepared on behalf of the IMAA
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Submitted To:
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INTRODUCTION

The **Independent Media Arts Alliance** (IMAA) is a member-driven non-profit national organization working to advance and strengthen the media arts community in Canada. Representing over 80 independent **film, video, audio** and **new media** production, distribution, and exhibition organizations in all parts of Canada, the IMAA serves over 12,000 independent media artists and cultural workers.

EXECUTIVE SUMMARY

Recommendations from the IMAA to the Standing Committee on Finance for the Pre-Budget Consultations 2009:

1 – Invest an additional **\$ 40 million** per year into the expansion of the capacity and mandate of the **Canada Council for the Arts: Audience and Market Development Program**.

2 – Support the **Canada Council for the Arts**, by increasing it's annual funding to **\$ 300 million** over four years.

3 – Grant professional artists and creators a **\$ 30 thousand exemption** on revenue deriving from copyright and residual payments and **complete tax exemption** for grants.

CONTEXT

This past year, the Independent Media Arts Alliance observed many funding shifts affecting the arts and cultural sector at the federal level. The independent media arts sector was directly and negatively impacted by the cuts to several programs including *Trade Routes*, *PromArt*, *The Canadian Independent Film and Video Fund*, *The Canada Feature Film Fund*, *The National Training Program for the Film and Video Sector*, and *Canadian Culture Online*.

We strongly support the renewal of several funds and increases to certain programs. The Honourable Minister James Moore announced earlier this summer that the Department of Canadian Heritage would be renewing a number of programs under the culture portfolio, for the next five years.

We are encouraged that programs which previously fell under the *Tomorrow Starts Today* initiative have been renewed. The *Canadian Arts and Heritage Sustainability Program*, now renamed the *Canada Cultural Investment Fund*, the *Cultural Spaces Canada Program*, now the *Canada Cultural Spaces Fund* and the *National Arts Training Contribution Program* will continue as the *Canada Arts Training Fund* and *Arts Presentation Canada* has also been renewed.

The IMAA also wishes to acknowledge our support for the renewal of the \$ 25 million in existing funding for the Canada Council for the Arts. This maintains the Council's annual funding to \$ 181 million for the next five years. Along with many other national arts service organizations, including the Canadian Arts Coalition and the Canadian Conference of the Arts, the IMAA has been advocating for a significant increase to the Canada Council for many years. The \$ 25 million is a positive first step towards reaching the overall goal of an annual funding budget of \$ 300 million for the Canada Council.

While these arts and culture program spending measures encourage prosperity and a sustainable future for Canadians from both an economic and social perspective, the IMAA wishes to call attention to the areas that remain ineffective and/or would benefit by support either financially or through alternative measures in order to ensure growth and stability of the cultural industry.

The cultural funding injections found in the 2009 Federal Stimulus Budget focus on the larger entertainment industry. This will have beneficial short-term impact on the commercial cultural industry, however more needs to be done to ensure long-term stability of the larger sector. The recent restructuring of federal funding programs, as mentioned above, has created gaps at the foundation of the independent media arts sector. These include training programs, support for emerging media artists and market development programs.

The three recommendations presented to you here by the IMAA reflect how federal policy and support programs must develop to address these gaps. In order for the larger industry to flourish for years to come, the federal government must identify the role and impact of all aspects of the cultural industry and support these components within the global cultural ecology.

Recommendation 1 – Audience and Market Development

As previously mentioned, the arts and cultural sector was detrimentally affected by the elimination of the two touring programs: Prom Arts and Trade Routes. These programs were essential for building careers, businesses, job creation, Canada's profile abroad, etc. In short, these investments went a long way to building the cultural industry in Canada. These programs were absolutely essential for the production and dissemination of independent media art, and in fact have had economic spin-offs that far exceed the initial investment. In the report produced by the Standing Committee on Canadian Heritage, the committee determined that:

Because of its small population scattered over a vast expanse, the Canadian market offers limited prospects to Canadian artists. Performing arts companies emphatically argued that they needed to perform abroad to generate additional revenue. International exposure is also an excellent way to make other audiences aware of their creativity and talent (...) the financial support received under the Arts Promotion and Trade Routes programs generated business for Canadian passenger and freight transportation companies. Given that these funds were re-injected into the Canadian economy, the cancellation decision is, to say the least, debatable.¹

The IMAA does not feel that reviving Prom Arts and Trade Routes is the most effective solution to correcting this setback. The media arts community feels that the Audience and Market Development office at the Canada Council for the Arts does an excellent job at supporting artists and organizations in the development of their practices nationally and internationally and in disseminating artworks abroad. However, this department is overburdened and cannot meet the demands of the requests and does not have the capacity to fill in the gaps left by the loss of the two above-mentioned programs.

The IMAA recommends that the Federal Government invest an additional \$ 40 million per year into the expansion of the capacity and mandate of the Canada Council for the Arts: Audience and Market Development Program.

Recommendation 2 – Canada Council for the Arts

For many years arts groups across Canada have been advocating for a significant increase to the Canada Council for the Arts. Most notably the Canadian Conference of the Arts and the Canadian Arts Coalition. The amount put forward by the IMAA, echoed by numerous arts groups in 2005 was for an increase of \$5 per Canadian for the Canada Council which would bring the total annual funding to \$300 million.

This message was repeated in subsequent years and was recognized to an extent by the Conservative Government with the announcement of a \$ 25 million increase to the Council's annual funding bringing it up to \$ 181 million. The \$181 million currently invested by the Canada Council helps to drive \$46 billion in economic activity generated by the cultural sector.² This

¹ Report on the Analysis of the Arts Programs that were Cancelled in Summer 2008, Standing Committee on Canadian Heritage, April 2009, 40th Parliament, 2nd Session

² Canadian Arts Coalition, <http://www.canadianartscoalition.ca/en/resources/economics.cfm>

was an encouraging first step towards accomplishing the many vital goals held by the arts and cultural sector.

The IMAA wants to underline the fact that the \$ 25 million does not go far enough to relieve the pressures faced by the smaller artist-run organizations and independent artists, of whom the IMAA represents in the media arts community. In addition, the loss of the *Canadian Independent Film and Video Fund*, the *Canada Feature Film Fund* and the *National Training Program for the Film and Video Sector* has left hundreds of professional media artists without support to complete their projects, advance their practices or to sustain their businesses.

The loss of these programs has put increased pressures on the Canada Council for the Arts, specifically the media arts section. The media arts section at the Council has one of the lowest budgets of all departments, far below music, theatre, writing and publishing and even visual arts. Yet this is one of the fastest growing sectors and we all know producing a film is not cheap. As more artists are working in increasingly complex mediums such as electronic, internet, video and multi-disciplinary practices, funding must be increased to match the needs of these diverse practices. The recent injection to the Canada Council does not go far enough to reach the increasing demands within the Media Arts section at the Canada Council for the Arts.

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. We recommend that the Federal Government support the Canada Council for the Arts, by increasing it's annual funding to \$ 300 million over four years.

Recommendation 3 – Tax exemptions for artists

According to a study published earlier this year 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.³

Artists often obtain income from other sources to subsidize their practices which cuts down on studio time and hours dedicated to the developing their profession. Government grants are extremely difficult to get with odds running approximately at a 10% success rate. Grants have proven to increase an artist's gross studio income proportionately whether it is in sales or in artist fees. However large grants are not always spent in one fiscal year and are taxed in the year they are received. This is a direct setback to the artist's career which would benefit by full use of funds received.

The IMAA recommends that the Federal Government grant professional artists and creators a \$ 30 thousand exemption on revenue deriving from copyright and residual payments and complete tax exemption for grants. This would provide a concrete measure to improve the living wages of artists.

³ Waging Culture : A report on the Socio-Economic Status on Canadian Visual Artists, Michael Maranda, The Art Gallery of York University, 2009

Conclusion – Investing in the Arts

There have been a myriad of reports and studies in recent years proving that public investment in the arts is essential to a country's social and economic well-being. In fact, in this current economic downturn, we have seen significant injections into the arts appearing in many stimulus budgets around the world. Not only does funding the arts support artists, but also numerous other jobs including electricians, technicians, carpenters, ushers, and many others are created through the arts industry.

The arts define who we are as a nation and helps showcase Canada to the world. We believe that the government must support increased funding for the arts in order to build vibrant, economically healthy communities, which reflect our diversity, and promote an inclusive society.