

# Brief to the Standing Committee on Finance for its Pre-budget Consultations

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Submitted To:

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*“The image of Canada has managed an astonishing global breakthrough over the last 25 years. And that astonishing breakthrough has come through the cultural community. That is the community which has most enthusiastically embraced globalisation as something which is multi-linguistic, multicultural and complicated.”* John Ralston Saul

## **INTRODUCTION**

The Independent Media Arts Alliance is a national association representing over 80 independent film, video and new media production, distribution and exhibition organizations across Canada, who in turn serve over 12,000 independent media artists and cultural workers (see background and membership list attached with this document). We appreciate the opportunity to present this brief to the Standing Committee on Finance on behalf of our members and the community we represent.

We recognize that the arts and cultural milieu in Canada is at a crossroads, under great pressure to help Canadian artists without sufficient resources. Government initiatives such as the TOMORROW STARTS TODAY fund which was recently renewed, are indispensable as they merely bring us back to the level of funding for culture that existed more than 10 years ago, before cuts were made by the government to reduce the deficit.

The cultural sector suffers from unstable funding; we are requesting that funding for the cultural sector be made statutory. We are asking the Canadian government to assure increased and sustained support for the arts and culture in Canada as it is essential for enhancing cultural productivity in Canada.

### ***Investments in culture***

In a scenario of economic globalization, a country that does not actively support and promote its own culture will surely be swamped by the exported cultures of other countries. Canada, living next to the US elephant,<sup>1</sup> can ill afford to be complacent in supporting Canadian culture or it will soon find itself subsumed by America.

The arts define who we are as a nation and how other nations see us. They are our calling card in the international community.<sup>2</sup> As the Government's own statistics indicate, every dollar invested in the cultural sector results in a substantial addition (more than 4 dollars) to Canada's GDP (Statistics Canada 2002). Based on the economic stimulus that cultural activity creates, we believe that any increased amount invested in the cultural sector will bring back increased tax revenues.

Investing in culture would “ensure physical infrastructure in our communities” and to enable “high levels of productivity growth”, making “our communities desirable places in

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<sup>1</sup> “Are We Losing Our Best and Brightest to the U.S?”  
[http://www.isuma.net/v01n01/frank/frank\\_f.shtml](http://www.isuma.net/v01n01/frank/frank_f.shtml)

<sup>2</sup> Canadian Arts Coalition, notes July 12, 2005

which citizens want to live and work". With over 700,000 jobs, the cultural sector is now a major and growing part of the Canadian economy. Government statistics show the significant impact of cultural support and the beneficial economic spin-offs. The total investment in the cultural sector from the different levels of government totals approximately \$7 billion, and that translates into a contribution of over \$33 billions to Canada's GDP and 733,000 jobs.<sup>3</sup> Studies in the United States show that tax dollars invested into the non-profit cultural sector translate into spin-offs that bring back more tax dollars to the government.<sup>4</sup>

Canada's (not for profit) arts organizations and artists are the backbone of the \$40 billion cultural sector in this country. This sector is bigger than the agriculture, forestry, fishing, mining and gas sectors combined.<sup>5</sup> At the heart of the cultural sector lie those arts organizations, mostly receiving their core support from the Canada Council for the Arts and struggling to mount their exhibitions, shows, tours, productions, festivals, under-funded, short-staffed and unable to pay adequate artist fees.

There is an urgent need to improve conditions for artists and cultural workers. Artists have one of the lowest levels of income in the country. Canadian artists and cultural workers on the whole live below the poverty line<sup>6</sup> and experienced cultural workers leave the sector in large numbers because salaries are below market standards. Cultural workers and artists have high levels of education, and often earn only slightly more than overall labour force workers with only a high school diploma.<sup>7</sup> Working conditions are difficult, there is little recognition or support for those behind the scenes, and most arts organizations don't have the means to offer benefits to their employees, leaving little incentive for one to pursue a career in the cultural sector. Studies by the Cultural Human Resources Council have shown that most cultural workers do not have benefits.<sup>8</sup>

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<sup>3</sup> Statistics Canada. *Canada: A Portrait*. 57<sup>th</sup> edition. 2002, p.9.

<sup>4</sup> "Americans for the Arts", *Arts & economic Prosperity: the Economic Impact of Non-profit Arts Organisations and Their Audiences*, page 2: "Our industry generates 24.4 billion in federal, state and local government revenues annually. By comparison, federal, state and local governments collectively spend less than \$3 billion on support for the arts each year - a financial return of more than 8-to-1."

<sup>5</sup> Canadian Arts Coalition, notes July 12,2005

<sup>6</sup> The cultural sector has about 516,000 workers and comprises 3.1% of the total labour force in Canada. One in every 32 people in Canada has a cultural occupation. Incomes are relatively low in the cultural sector, with average earnings in the cultural sector (\$29,951) being about 6% lower than average earnings in the total labour force in Canada (\$31,757). The lowest paid occupations in the cultural sector are among the worst paid of any occupations in the entire labour force.  
Source: *Cultural Human Resources Council, Canada's Cultural Sector Labour Force (July 2004)*

<sup>7</sup> With average earnings of \$23,500, artists are in the lowest quarter of average earnings of all occupation groups. ... over 40% of the artists holding a university degree.  
Source: A Statistical Profile of Artists in Canada - Ontario Arts Council:  
[http://www.arts.on.ca/userfiles/HTML/nts\\_1\\_1128\\_1.html](http://www.arts.on.ca/userfiles/HTML/nts_1_1128_1.html)

<sup>8</sup> Page 119 – "Defiant Imagination" by Max Wyman  
"We are approaching a crisis point in the development of the professional arts in Canada. Individual burnout is endemic in a generation whose careers have been spent in the pioneering, often frustrating task of building our non-profit arts organizations and keeping them on an even business keel."

From "*Face of the Future*", CHRC Human resource study available from their website:  
<http://www.culturalhrc.ca>

Compounding these problems will be the effect of the mass retirement of cultural administrators from the baby-boom generation - who have contributed so much to the creation of Canada's cultural infrastructure due to their commitment and passion. Combined with the difficulty of recruiting young people to a career in culture, because of the above-mentioned reasons, the loss of baby-boomers will soon lead to a management crisis in the arts.

A report by Hill Strategies Research,<sup>9</sup> "A Statistical Profile of Artists in Canada" based on 2001 census labour force counts, finds a number of significant characteristics about artists, including very low earnings and strong growth in the number of artists between 1971 and 2001:

*"Artists' average earnings are well below the labour force average. In fact, artists, earnings fell further behind the overall labour force between 1991 and 2001. In 1991, artists earned 76% of the labour force average, but this figure decreased slightly to 74% in 2001."<sup>10</sup>*

We urge the government to act decisively by increasing funding for the arts and by implementing legislation which responds to the need for social benefits and tax remuneration for artists.

### ***Canada Council for the Arts is the best model for support***

What is the best way to support culture in Canada? We propose that it is the model of the arts council that represents the most efficient, accountable and fair system for disbursing funds to the arts. The Canada Council for the Arts has done an exemplary job in fulfilling its mandate, and is admired and imitated by other countries.<sup>11</sup> An increased investment in the Canada Council for the Arts will bring the best return for the government.

Increased funding to the Canada Council for the Arts would go a long way to repairing the foundations of Canada's cultural sector. Non-profit arts organisations are the engine of growth for the sector and they need more support if they are to sustain an adequate level of productivity.

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<sup>9</sup> The report is available at Hill Strategies, website  
<http://www.bmail.ca/ct/30/8594/3742/9414b0c45588ea5ce7d328542d8a42e8>

<sup>10</sup> Hill Strategies Research,<sup>10</sup> "A Statistical Profile of Artists in Canada".

<sup>11</sup> "The Power of Culture," Final Declaration and Plan of Action of the Intergovernmental Conference on Cultural Policies for Development, held at Stockholm, 30 March- 2 April 1998. <http://www.unesco-sweden.org/Conference/Action-Plan.htm>

"At the Intergovernmental Conference on Cultural Policies for Development, held at Stockholm in 1998, Canada was recognized for its cutting-edge policies promoting cultural diversity. One example of this is the effort of the Canada Council for the Arts."

We project that an increased investment will come back to the government in increased tax revenues from economic spin-offs. The government's own commitment to prevent the misuse of tax funds through greater vigilance and accountability will surely result in savings, and that should help cover the additional funds needed to adequately support the arts in Canada, without having to take from other important social programs!

### ***Support for cultural spaces***

The cultural sector has worked miracles over the past four decades building a world class arts infrastructure in Canada due to the passionate contribution of volunteers despite inadequate funding!<sup>12</sup> However, the current infrastructure related to physical spaces for the arts is tenuous. Many arts groups and organizations move into less expensive parts of town, seeking affordable spaces in vacated, formerly industrial buildings, only to see the neighbourhood become popular and rents increase so that they must move again.

Arts groups need support in various ways to allow them to establish permanent venues for the creation and presentation of art works, be they theatrical plays, exhibitions of visual arts, musical performances or cutting edge screenings of media art. The Cultural Spaces Canada component of TOMORROW STARTS TODAY provided some support for venues. Another mechanism the government could provide would be guaranteed mortgages for non-profit cultural organisations, as the government does for low-cost housing; yet another important method could be increasing capital programs for purchasing buildings.

### ***Support for archives***

Throughout Canada's media arts centres reside thousands and thousands of valuable works reflecting the history of media arts in Canada.

Audio/video/film collections include experimental, narrative and documentary works by artists; edited and raw recordings of events, processes and sites; historical and cultural documents; workshop experiments; sponsored projects; compilations of local productions; tapes deposited by visiting artists; and compiled programs.

Archives are used by curators and programmers from across Canada and abroad. Other researchers, writers and critics, as well as students and classes from high schools and post-secondary institutions, and emerging media producers, have, and continue to take advantage of these archives.

Due to the ongoing funding problems in media arts centres, these archives have not been stored in ideal situations. There are few funding sources accessible for maintaining them. Another issue is obtaining/maintaining obsolete playback equipment for the original formats. Additionally, artists in the future will be using other modes and mediums

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<sup>12</sup> Le Devoir, Culture section, June 29, 2004

Canada has (more than) half a million cultural workers, which represents a growth of 160% since 1971. Numbers from Hill Strategies Research Inc. show that while active population in Canada has grown 81% in the past 3 decades, the cultural sector has grown of 160%. And this growth is equally strong for each of the 3 decades.

of expression-interactive multi-media and CDs, web-based art, virtual reality, etc. We must, therefore, begin to give serious consideration to how these new forms will be preserved, stored, and accessed, and try to develop a system which will accommodate these new works.

The preservation of this resource is of urgent concern. If the issue is not addressed very soon, we are in real danger of losing this audio-visual heritage forever.

### **RECOMMENDATIONS:**

1 - That the government of Canada secure increased funding of the arts through the Canada Council for the Arts by doubling the current funding to \$300 million a year.

2 - That the government of Canada increase capital support for arts groups seeking to purchase their spaces and institute a program for guaranteeing mortgages for arts and cultural organizations.

3 - That the government of Canada makes cultural funding "statutory" spending. The Department of Heritage's funding has the highest proportion of non-statutory spending of all federal departments, and is therefore at high risk of being reduced or withdrawn by this or any subsequent government.

4 - That the government of Canada assures increased funding for archives of audio-visual and media art works.

5 – That the government of Canada implement tax measures for artists, an income tax exemption of up to \$60,000 of annual copyright income, on a sliding scale similar to that which currently exists in Quebec.

### **CONCLUSION**

In conclusion, the arts are a public good and should be properly supported by the government, and investments in culture pay off with economic spin-offs, an increased quality of life in Canada, an enhanced reputation for Canada on the world stage, and a heritage for the generations to follow us. We urge the government to make Canada's arts and culture a priority by providing the support required for artists and arts organizations.

### **BACKGROUND ON THE INDEPENDENT MEDIA ARTS ALLIANCE**

Since 1981 the Alliance has worked to improve opportunities for independent media artists at every stage of funding, production, distribution and exhibition. The Alliance defines an independent media art production as being:

*“...a film, video, new media or audio art creation, on any format and/or device of presentation envisioned, over which the creator maintains complete editorial and artistic control up to the final version.”*

The Alliance supports a diversity of visions in artistic and social consciousness, and the Alliance members make a commitment to take anti-racist, anti-sexist and anti-homophobic positions in terms of hiring, distribution, production and representation. The Alliance members respect and support the autonomy of Aboriginal cultural representation.

Now over 35 years old, the independent film and video movement has been an essential part of the growth of the Canadian film industry. In regions where the filmmaking infrastructure is limited, media art centres have provided equipment and financial support to Canadian independent filmmakers. Many of Canada's most acclaimed cinematic voices have come from the independent media arts milieu.

The media arts are also an increasingly key part of Canada's arts scene. Canada's video and new media artists have achieved international acclaim, bringing Canada recognition at major art events like the Venice Biennale.

The Canadian Government itself, through the *Status of the Artist Act*, recognizes the *“importance of the contribution of artists to the cultural, social, economic and political enrichment of Canada.”*

Mr. Hobday, Director of the Canada Council for the Arts recently expressed similar views at the Chalmers Conference (May 2003): *“I believe in the value of the arts: to individuals, to communities, to countries and to humankind.”*