



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

2012 Federal Budget Recommendations

Pre-Budget Submission to the Standing Committee on Finance

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Submitted to:
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Standing Committee on Finance
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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 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

Increase funding to the Canada Council for the Arts over three years to reach \$300 million.

2 – 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.

3 – Income Averaging and Tax exemptions for artists

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

CONTEXT

The IMAA wishes to acknowledge the support and investments that the federal government has made to date in the cultural sector, including the renewal of programs in the Department of Canadian Heritage and sustained funding to the Canada Council for the Arts.

As the world economy continues to struggle through uncertain times, the IMAA will use this opportunity to underline the strengths of the cultural sector by outlining key investments that will enable the arts sector to contribute to an economic recovery.

Why invest in the creative economy? Not only does the cultural sector provide direct employment to over 640,000 jobs in the Canadian economy¹, the cultural industries bring ideas and experiences to mass-market audiences in Canada and abroad. Additionally, the arts sector acts as a research and development laboratory for the larger industry. Innovation, research and creative development in the arts stimulate ideas, concepts and approaches that would otherwise not be developed.

The media arts is a cultural sector that illustrates this well. It encompasses the tried and true forms of film and video in addition to new media; a discipline that explores new forms of expression, new materials and new technologies. It attracts a growing number of young artists who then enter into the workforce within a wide range of jobs. In recent years there has been a growing number of film festivals catering to specific audiences in all parts of Canada. Media art is also the grounds for new organizational models both in the non-profit sector and in the wider industry.

First, the current funding systems would benefit by targeted investments to the Canada Council for the Arts in support of research and development, emerging practices and new models. Second, these artists and organizations would thrive within the national and international markets with additional funds going towards domestic touring and for the development of foreign markets. Finally, the IMAA is asking for the federal government to introduce income averaging and tax exemptions for self-employed artists. The following details these three priority areas for the media arts sector.

¹ Valuing Culture: Measuring and Understanding Canada's Creative Economy, Conference Board of Canada, August 2008.

1 – Canada Council for the Arts

Increase funding to the Canada Council for the Arts over three years to reach \$300 million.

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.

2 – Audiences and Markets

Implement programs to support the development of 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.

3 – Artists

Grant professional artists and creators annual exemptions 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.²

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.

CONCLUSION

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.

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, and 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.

Thank you for your time, and for considering these recommendations.

² Waging Culture: A report on the Socio-Economic Status on Canadian Visual Artists, Michael Maranda, The Art Gallery of York University, 2009