

Independent Media Arts Alliance Pre-budget Submission 2014

Brief to the Standing Committee on Finance

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Clerk, Standing Committee on Finance
6-14, 131 Queen Street
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Executive Summary

The Independent Media Arts Alliance welcomes the opportunity to contribute to the pre-budget consultation and makes three recommendations for the development of the 2015 federal budget:

1. Increase the Canada Council for the Arts' Parliamentary appropriation by \$35 million in 2015 with a long-term goal of reaching \$300 million.
2. Increase Canada's presence on the world stage for 2017 by establishing a \$25 million pilot program over three years at the Department of Foreign Affairs, Trade and Development for Canada's 150th birthday.
3. Investigate new revenue models to support a comprehensive Canadian Cultural Digital Strategy that would enable the creation, dissemination and engagement of Canadian cultural content online.

These recommendations echo those of the Canadian Arts Coalition and Visual Arts Alliance, who are also submitting pre-budget briefs to the Standing Committee. While the headlines remain the same, our rationale for these recommendations have been developed here to reflect the unique realities faced by our constituency.

About the Alliance:

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 90 independent film, video, audio, and new media production, distribution, and exhibition organizations in all parts of the country, the IMAA serves over 16,000 independent media artists and cultural workers from coast to coast to coast.

Recommendation 1:

We support the Canadian Arts Coalition's and Visual Arts Alliance's recommendation to increase the Canada Council for the Arts' Parliamentary appropriation by \$35 million in 2015, with a long-term goal of reaching \$300 million.

Increased, long-term investment in programs that encourage the production, presentation, and distribution of Canadian art improves employability in our sector, and improves quality of life within communities. The Canada Council has proven to be an efficient resource for supporting the cultural sector, but current funding levels do not reflect increases in inflation, or the return on investment that arts funding provides to the overall economy. In its 2014 Budget, we were pleased to see that the federal government made a \$25 million contribution permanent to the Council's parliamentary appropriation. This is an encouraging first step towards bringing the Council's per capita funding levels back up to the levels achieved in the 1990s, and also to ensure that the Canada Council is able to respond to the needs of the increased number of arts organizations that they have supported since that time.¹

Expected cost: \$35 million added to current base (totalling \$216 million)

Period of time: Recurring, starting in 2015.

Federal Funding:

Investment in the arts produces economic returns on investment through tax revenues and local economic growth. Canada's culture sector contributes \$46 billion to the GDP, and for every \$1 directly or indirectly invested in cultural activities, \$3.20 is generated in economic activity to the benefit of all Canadians. A more robust level of federal funding also helps the sector to leverage the per capita spending contributions made by municipalities – many of whom have recently increased their spending on the arts at the local level.

Intended Beneficiaries:

This recommendation will boost Canadian job creation and economic development, and improve access to Canadian art and culture from coast to coast to coast. In 2012-13, the Canada Council funded 1,925 artists and 2,241 arts organizations, directly benefiting at least 1,918 Canadian communities.² More specifically, there are nearly 35,000 visual, media, and craft artists³, who benefit both from employment opportunities, as well as research and development revenues that public funding provides, thus improving the entrepreneurial skills of professional artists. According to Statistics Canada's General Social Survey of 2010, 10 million Canadians (or 3.6%) aged 15 years of age or older visited at least one public art gallery or art museum in the previous twelve months.⁴

¹ Canada Council for the Arts. [Strengthening Connections: Strategic Plan 2011-2016](#). October 2010.

² Canada Council for the Arts, [Annual Report 2012-13](#), 2013.

³ Hill Strategies, [A Statistical Profile of Artists in Canada Based on the 2006 Census](#), 2009.

⁴ Hill Strategies, [Factors in Canadians' Arts Attendance in 2010](#), 2012.

Impact:

The arts sector contributes to the public understanding of our national culture and heritage, as well as a job market and local economy that promotes creative activity. According to Statistics Canada, 4% of Canada's labour force is employed by the culture sector and contribute to the Canadian economy.⁵ In addition to direct funding support to individual artists of all disciplines, 38,952 professional artists were paid artist fees through presenting arts organizations, and 2,106 artists were employed by Council-funded organizations.⁶ Federal funding programs are crucial in allowing self-employed artists and the exhibiting institutions that they partner with to expand their business prospects, both in Canada and abroad.

Public investment in the creation and presentation of art allow us to share our diverse culture with a wider audience, and to improve the quality of life in communities. It sparks conversations about what it means to be Canadian. It ensures that Canadians have more access to Canadian art and to our heritage, and ensures wider participation and appreciation of our culture by visitors to Canada. In 2012, 19.3 million Canadians attended arts events, including performances, exhibitions, festivals, readings, and screenings, representing an increase of 6.7% from the previous year.⁷ Additionally, volunteer involvement at Canada Council-funded organizations increased by 1.2%, indicating that Canadians care about their cultural community; further, 99% of these volunteers see this as a way to contribute to their community.⁸

Recommendation 2:

We support the recommendation by the Canadian Arts Coalition and Visual Arts Alliance to establish a \$25 million, three-year pilot program at the Department of Foreign Affairs, Trade and Development to increase Canada's presence on the world stage for 2017, Canada's 150th birthday.

Expected cost: \$25 million

Period of time: 2015 to 2017

Federal Funding:

The 150th Anniversary Commission could provide the temporary funding requested. The Department of Foreign Affairs, Trade and Development has experienced budget cuts in the past eight years that affect its ability to present the visual arts as cultural ambassadors for trade opportunities. This one-time source of funding is an opportunity to amend the situation. Funding for the recommended pilot program at the suggested level will be directed to (1) cultural

⁵ Statistics Canada, [Economic Contribution of the Culture Sector to Canada's Provinces](#), 2007.

⁶ Canada Council for the Arts, [Annual Report 2012-13](#), 2013

⁷ Ibid.

⁸ Ibid.

promotion in the embassies, (2) international circulation of Canadian visual artists and their works, and (3) enhanced trade and business development.

Intended Beneficiaries:

This recommendation is intended to directly benefit Canada's global trade sector, the visual arts economy, and the tourism sector.

Impact:

Canada is more than an economic entity dependent on the export of its raw natural resources. The visual arts are a major contributor to the "value-added" cultural identity most countries cherish and rely on to stimulate interest and confidence in their trade offerings, and our federal government should recognize this. Canadian visual artists, their organizations, and cultural products, express the geography and demographics of the country, as well as its past, present and future. Canadians have every right to expect this investment on the occasion of our 150th anniversary.

Recommendation 3:

We support the recommendation of the Canadian Arts Coalition and Visual Arts Alliance to investigate new revenue models to support a comprehensive Canadian Cultural Digital Strategy that would enable the creation, dissemination and engagement of Canadian cultural content online.

In 2004, the Canadian Culture Online National Advisory Board warned that in the sphere of online cultural content, "where Canada does not act, foreign competitors will fill the void." Ten years later, this prediction has proven all too accurate: Canada's lack of investment in a comprehensive digital strategy for arts and culture has widened a cultural trade gap that sees far more foreign cultural content entering the country than being exported. It is true that Canadian consumers will benefit from improved Internet infrastructure under the Digital Canada 150 initiative, but without correspondingly ambitious strategies to develop new Canadian cultural content online, a golden opportunity to maximize the potential for Canadian participation in these crucial new platforms will be missed.

The Digital Canada 150 program states that "Canadians will have easy online access to Canadian content that will allow us to celebrate our history, arts and culture." Yet Digital Canada 150 includes no new economic opportunities for supporting the creation, engagement or dissemination of Canadian cultural content online.

The rapid evolution of digital technology has a profound effect on all aspects of the visual and media arts. In film and video, the entire chain of production, distribution and exhibition has been radically transformed. For visual artists, museums, and galleries, new technologies open up novel and exciting ways to promote their work and connect with audiences, such as virtual museums and galleries. The digital revolution has even given rise to entirely new artistic practices for which digital technology itself is the chosen medium for a growing number of artists. Along with these opportunities come new challenges, notably those of respecting artists' copyright, ensuring

proper remuneration, and adapting to a global marketplace in which greatly facilitated distribution channels render the environment more competitive than ever before. As digital technology becomes increasingly intertwined within the broader culture, it is the responsibility of policymakers to seize these opportunities and meet these challenges in order to ensure a thriving digital culture in Canada.

In short, we need a broad strategy for Canadian cultural production in an online world, as well as the resources to implement such a strategy. The Independent Media Arts Alliance adds its voice to the Canadian Arts Coalition and the Visual Arts Alliance in support of a recommendation that a House of Commons committee explore new revenue models that would support a comprehensive Canadian Cultural Digital Strategy, guiding and enabling the creation, dissemination and engagement of Canadian cultural content online.

Expected cost: \$0

Period of time: 2015 to 2017

Intended Beneficiaries:

This recommendation will benefit all Canadians by enabling online access to Canadian culture, creating greater opportunities for Canadian artists, encouraging healthy competition for Canadian arts organizations and content developers, and building local economic development and jobs.

Federal Funding:

Canada is very well positioned to become a world leader in the digital economy. But to do so, it must catch up with other nations, for example Great Britain whose own Digital Britain Report and Digital Economy Bill include significant initiatives and innovations aimed at fostering talent, producing content and investing in infrastructure necessary for the digital culture of tomorrow. The government of Québec also recently adopted a Digital Strategy to stimulate creation and innovation, facilitate dissemination both nationally and globally, and instil an environment that attracts and retains world-class cultural creators.

It is vitally important that the Federal government follow these leads. Notwithstanding the importance of DC 150's commitment to improving infrastructure, the need for corresponding investment in content cannot be overstated. In the absence of concerted efforts to develop Canadian content, the bandwidth thus created risks being flooded by foreign product to the detriment of Canadian culture.

An ambitious Canadian Digital Culture Strategy vision will require significant investments to implement. Yet these need not be restricted to the public purse. The current model for enabling Canadian cultural content is based on drawing a percentage of revenue from cable and satellite providers.⁹ As Canadians access cultural content through other means, these traditional revenue sources are in decline. New mechanisms must therefore be conceived to reflect this evolving landscape. Partnerships around shared interests are key to leveraging public funding with private investment. A review of funding models for such a program would help to identify promising public/private partnerships as well as program orientations and budgets.

⁹ Convergence Consulting Group, [The Battle for the Canadian Couch Potato: Bundling, TV, Internet, Telephone, Wireless](#), April 2014

Impact:

By identifying methods and means for implementing ambitious and visionary strategies for digital and online cultural content, the Government of Canada will enable diversified revenue streams, increased public/private partnerships, development of digital markets, job creation, economic growth and stability, and equal access to creativity and innovation by and for Canadians. This in turn will ensure continued and increased innovation in the sector, leading to greater employment and productivity within the arts sector for years to come. It will further help position Canada as a world leader in the digital economy.