

The Visual Arts Alliance's 2014 pre-budget submission to the Standing Committee on Finance

Executive Summary

The Visual Arts Alliance/Alliance pour les arts visuels is a consortium of national visual, media, and craft arts service organizations comprised of artists, art museum directors, art educators, curators, art dealers, artist-run centres, and visual and media arts organizations. Our objective is to improve the socio-economic conditions of visual artists and institutions, and to pursue the health of our community so that Canada's extraordinary visual and media arts can flourish. As members of the Canadian Arts Coalition, we echo the priorities identified by the Coalition, and by the sector as a whole.

As previously indicated, the Visual Arts Alliance welcomes the opportunity to appear before the Standing committee on Finance during the pre-budget hearings in Ottawa, Montreal, or Toronto. An invitation to appear may be sent to info@visualartsvisuels.ca.

The Visual Arts Alliance makes the following recommendations for consideration 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.**

Recommendation One:

We support the Canadian Arts Coalition'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 (totaling \$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 cultural 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 may potentially benefit both from employment opportunities, as well as research and development revenues that public funding provides, thus improving their entrepreneurial skills. According to Statistics Canada's General Social Survey of 2010, 10 million Canadians (or 3.6%) aged 15 years of age or

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.

older visited at least one public art gallery or art museum in the previous twelve months.⁴

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 cultural 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 Council-funded organizations increased by 1.2%, indicating that Canadians care about their cultural community; further, 99% of these volunteers see this involvement as a way to contribute to their community.⁸

Recommendation Two:

We support the Canadian Arts Coalition's recommendation for funding 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, in celebration of Canada's 150th anniversary.

The arts have long been recognized as important cultural ambassadors. The image that Canada presents to its global trade partners is supported through the presentation of the diverse creative achievements of its artists. An investment is required that helps artists and arts organizations better reflect Canada's image on the world stage. The benefits of the recommended pilot program will flow to the arts sector by creating a variety of job opportunities and revenue streams here at home, enhance prospects for Canadian businesses that compete in the world market, and encourage growth in the tourism sector.

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

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.

Funding for the recommended pilot program at the suggested level will be directed towards cultural promotion in the embassies, international circulation of Canadian artists and their works, and enhanced trade and business development.

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 arts as cultural ambassadors for trade opportunities. This one-time source of funding is an opportunity to amend the situation.

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

Impact:

Canada is more than an economic entity dependent on the export of its raw natural resources. The 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 artists, their organizations, and cultural products express the geography and demographics of the country, as well as its past, present and future. It is important that Canadian art is shared abroad, so that global citizens may understand more about Canada and its culture. Canadians have every right to expect this investment on the occasion of our 150th anniversary.

Recommendation Three:

We support the Canadian Arts Coalition's recommendation 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 strategy, 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, and the newly created bandwidth will risk being flooded by foreign product to the detriment of Canadian culture.

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. 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 Visual Arts Alliance supports the Canadian Arts Coalition’s 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

Federal Funding:

An ambitious Canadian Digital Culture Strategy will require significant resources to implement. Yet these need not be limited to public funding. 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. New partnerships around shared interests are key to leveraging public funding with private investment. The comprehensive review we recommend would help identify promising public/private partnerships as well as program orientations and budgets.

Intended Beneficiaries:

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

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.

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, positioning Canada as a world leader in the digital economy and leading to greater employment and productivity within the arts sector for years to come.