



Chalmers Conference 2006

WHAT YOU TOLD US – THE TOP THREE PRIORITIES FROM THE FIELD

As part of the Chalmers Conference this year, the Canadian Conference of the Arts (CCA) asked arts service and other cultural organizations to identify their top three policy priorities. These will be discussed and prioritized as part of Chalmers Conference I on the afternoon of Thursday March 2.

The CCA's advocacy strategic action plan must reflect what its membership holds to be important. Our members in the arts and cultural sector are routinely consulted on key issues to inform the decision-making process of our Board of Governors. Since last August, the CCA has sought input from the sector on three distinct developments:

- the 2005 Federal Finance Committee Pre-Budget Hearings
- the 2006 Federal Election;
- in preparation for the 2006 Chalmers Conference and National Policy Conference

With these inquiries falling within a six month period, the CCA has collated members' input to test once again at the March Conferences. This is of particular importance as a new government takes the reins and sets its program for the next Parliament.

The CCA must carry these messages to Parliament Hill in a consistent and insistent manner. The discussions at the Chalmers and National Policy Conferences will provide invaluable input to help shape the messages and clarify priorities in a pan-sectoral manner.

The CCA would like to express its gratitude for the energy and time its members have invested in sharing their priorities. It is the intention of the Board of Governors to consider the proceedings of the two conferences and formulate a new Strategic Action Plan which it will share with the sector within a month of the March 2006 conferences.

Top Three Priorities

When the CCA reviewed the input from a wide variety of organizations, three issues rose to the top as shared priorities. They are:

- adequate and stable funding;
- taxation of artists and the arts;
- foreign ownership restrictions and Canadian content rules,

1) Adequate and stable funding

Whether it be funding for the CBC, the Canada Council for the Arts, our museums and galleries, or the Canadian Television Fund, there is general consensus on the need for adequate and stable funding.

There is a highly developed sense of the importance of the arts among CCA membership as an important component of national identity. The Fédération culturelle des canadiens français put it most eloquently: “*Cultural organizations are the lungs of our communities. The arts are oxygen. The arts sustain us, culture unites us.*”

The arts and cultural sector needs a clear signal from the new government that it understands the importance of adequate and stable federal funding in this vital sector of Canadian identity and Canadian economy. While much attention has been focused on the immediate funding needs of the Canada Council for the Arts, it is but one of several areas where our members tell us government must increase its investments.

2) Taxation of artists and the arts

Artists and arts organizations identify the chronic problems they face with the federal taxation system as one of the highest priorities. **Incredible amounts of energy and resources have been invested in trying to come to a workable solution to resolve the many facets of this issue.**

At the heart of the matter are two main issues:

i) employment status

Many artists and creators elect to describe their employment status as independent contractors or self-employed workers. The manner in which professional artists cobble together a livelihood is fully consistent with this description.

Over the years, efforts have been made for a blanket designation by Canada Revenue Agency (CRA) to afford “dual status” to artists and cultural workers who elect self-employment status. (Dual status would deem artists as self-employed for taxation purposes and employed for the purposes of social benefit programs.) This notion has constantly been rebuffed by both CRA and the Department of Finance which insist on making such determinations on a case-by-case basis.

Some arts organizations have included the resolution of tax problems as an inherent part of status of the artist policies. While some limited progress has been made, it is apparent from the feedback received by the CCA that it is not enough.

A successful challenge to self-employed status has serious implications for the individual artist or cultural worker, and also the organization that engages them. Anytime CRA overturns the self-employment designation – and there have been many such instances – it can then assess fines and retroactive contributions on the engager. Such a move imperils arts organizations that, at best, operate on the fringe of liquidity.

The Chalmers and National Policy Conferences will help determine how CCA can make this case afresh with the new government.

ii) *the reasonable expectation of profit test*

CRA has challenged the professional status of artists, creators and cultural workers using the reasonable expectation of profit test. Simply put, if CRA deems the income of an individual artist, creator or cultural worker over a number of years demonstrates no reasonable expectation of profit, they can – and have – disallowed legitimate deductions associated with the life of a working artist.

The Supreme Court has ruled this test is not infallible if not inappropriate and should be replaced by a more nuanced approach. In the meantime, artists and creators who have dedicated their lives to their craft find themselves in the cross hairs of CRA auditors.

The CCA would greatly benefit from the collective wisdom of the sector in seeking a more satisfactory solution to this problem.

3) Canadian ownership and content rules

There is a strong current of concern running across the sector regarding Canadian ownership rules for our cultural enterprises and Canadian content rules for the broadcasting industry.

Such concerns are rooted in the ongoing saga of international trade negotiations, especially the General Agreement on Trade in Services (GATS) where new rules are being implemented that will make it more difficult to preserve ownership restrictions.

There are some organizations that fear a new government will dilute foreign ownership restrictions as part of an “open for business” message to the corporate

community; others fear concentration of ownership and vertical integration as equally problematic. The much-touted diversity of Canadian cultural expression could be severely affected by both these factors. **Cultural enterprises dominated by foreign ownership tend to regard countries like Canada as an extension of their domestic market and have demonstrated little interest in fostering or promoting indigenous artistic and cultural expression.**

The recent decision by the CRTC on satellite radio and the ongoing Telecommunications Review prompt concerns that Canadian content requirements, which are widely acknowledged as the berth of the current flurry of Canadian talent at home and abroad, are greatly at risk, with no alternative support being considered. There is real danger here of throwing the proverbial baby out with the bath water.

The new government has promised to review both the powers of the CRTC and the CBC (to test its status as our national broadcaster). These reviews will pose both a threat and an opportunity to the cultural sector. Calibrating our individual and collective responses to these reviews is of great importance to the hundreds of thousands of artists, creators and arts professionals who have benefited greatly from both Canadian content rules and the CBC.

The CCA intends to intervene on the commercial radio hearings by the CRTC as well as those next autumn on the renewal of CBC multiple licences. The CCA will obviously also intervene in the case of any form of review of any other national cultural institution or areas that impact cultural policy. **The input from the Chalmers and National Policy Conferences will be critical to forging a strategy to deal with the complexities of these issues.**

OTHER NOTABLE PRIORITIES

Anyone who has been familiar with the Canadian arts sector will not be surprised to learn there are more than three priorities for action by the new government. Among these other issues:

1) Status of the Artist

While taxation issues affecting individual artists, creators, arts professionals and organizations were in the top three priorities cited by CCA's members, key organizations situated the issue in the broader landscape of status of the artist.

These organizations are determined to move the status of the artist issue forward both federally and provincially. They include concerns around the income of retired artists, access to social benefits, an extension of collective bargaining rights, and health and safety issues as part of the larger drive to improve the socio-economic status of Canada's artists and creators.

2) *A New Federal Museums Policy*

The museum and gallery community was left at the altar when the last election was called. It had lobbied vigorously and tenaciously for an updated museum policy and a better approach to funding our museums and galleries.

It appeared that the former Minister of Canadian Heritage was on the brink of making an announcement on this issue when the government fell. The museum and gallery community is now girding its loins for a renewed push to bring the new policy into existence.

Representatives of the Canadian Museum Association will seek a pan-sectoral effort to re-launch this important drive.

3) *Increased production of Canadian drama*

The film and television production community, as well as actors, directors and technical workers have been pressing for a greater commitment to the production of Canadian drama.

The decline of Canadian drama on the airwaves has been a concern for some time, and that community is calling for a renewed commitment by the CRTC to exact commitments from broadcasters to increase production in this genre.

There are also concerns about the fluctuating resources dedicated to the Canadian Television Fund. Given the erratic nature of funding by the federal government, that community is seeking reassurances from the new government that it shares these concerns.

4) *Revisions to the Copyright Act*

Artists, creators, copyright owners and licensees all share a common concern – the improvement of the economic and moral rights that flow from the Copyright Act.

The most recent package of revisions (Bill C-60) died on the Order Paper when the government was defeated. **The revision process is not supple enough to respond quickly to the lightning changes in technology that affect the production, distribution and use of copyright protected materials.**

Those organizations which identified copyright reform as a priority have situated the issue on a broader canvas and want to look beyond the next phase of copyright revisions to a more workable system of copyright reform.

5) Freedom of expression

Amendments made in the last Parliament to the child pornography provisions of the Criminal Code raised concerns among artists, creators and even Members of Parliament and Senators.

There were concerns that the legislation would inadvertently affect artists and creators and that several of the measures were “overly broad”, making them susceptible to a successful Supreme Court challenge.

The cultural sector must monitor this issue closely, both the implementation of the revisions in the practice of the police and the courts, and also additional incursions on the freedom of expression, not only for artists and creators, but for all Canadians.

6) Easing the federal funding accountability measures

The CCA has heard many complaints about the onerous accountability measures associated with federal funding, mainly from the programs of the Department of Canadian Heritage.

Arts organizations and arts service organizations acknowledge the need to manage public funds prudently. However, the discovery of mismanagement of funds within government over the past few years has meant that accountability measures have reached a point where they are an undue burden for both funding recipients and the public servants who administer programs.

The new government has promised a new accountability act as one of its first priorities. The fear in the arts and culture sector (much of which is not-for-profit and run on minimal resources, both human and financial) is that this, coupled with the Gomery report, will further increase the accountability measures associated with federal funding.

Artists and arts professionals feel that a better calibrated approach to the issue of accountability is an important objective. The CCA is prepared to work with federal officials and Parliamentarians to find the balance necessary to allow programs to function effectively and accountably, and artists and arts organizations to fulfill their primary mandates instead of wasting time and energy filling up excessive reporting requirements considering the amounts of money allocated.

UNDER THE RADAR

In order to ensure that the CCA and the sector is prepared for developments which are not immediately apparent, some “crystal-ball-gazing” is in order. What are the issues that may arise in the course of the next few years, and how do we best deal with them?

1) Faster, Bigger, Wider – New Technologies and the Cultural Sector

Television on your cellular telephone, i-pods, wireless communications – these are just some examples of technologies that have developed rapidly and have been taken up by millions of Canadians. Canadians have traditionally been among the first adopters of new technologies and this is unlikely to change in the foreseeable future.

This technological explosion will continue, as will the reality that policy lags far behind innovation. How do these innovations affect the interests of the cultural sector and of Canadian society and how can we best prepare to engage the government in constructive and effective policies to ensure that our creative sector benefits from them?

Is it time for a cultural policy make-over where the quest for a technologically neutral policy framework is the focus of our collective efforts? Just asking!

2) International trade agreements and domestic policy impacts

Canada has been committed to expanding international trade agreements such as the General Agreement on Trade in Services (GATS), the General Agreement on Tariffs and Trade (GATT), the Free Trade Agreement for the Americas (FTAA) and other sectoral, bilateral and multilateral agreements. The net effect of increased trade is seen in the balance of payments surplus which Canada posts annually and in the Canadian economy which continues to prosper.

The cultural sector must maintain its vigilance to ensure that our trade negotiators extract the most beneficial rules for our economy without compromising our capacity to develop and sustain cultural policies and programs that support Canadian artistic and cultural expression.

3) Canada's new foreign policy

With the election of a new federal government, the international policy statement that was released in Spring 2005 will soon be lining canary cages across the nation. The new government will want to put its own stamp on Canadian foreign policy and the cultural sector would like to see a stronger role for the arts in promoting Canadian values and culture abroad.

As a new foreign policy is being crafted, the cultural sector needs to be fully engaged in ensuring the Minister and his colleagues, as well as members of the Standing Committee on Foreign Affairs, are aware of the contributions that artists, creators and arts professionals can make internationally.

4) *Rewarding Creativity and Innovation*

Canada has lagged in productivity compared to other G8 countries. **In a post-industrial economy how does government best stimulate creativity and innovation in the arts and cultural industries. How does the cultural sector position itself to take a major role in stoking the creative engines of Canadian society?**

The cultural sector needs to be ready for a major national discussion on creativity and innovation, and be prepared to detail the substantial role it plays in making Canada a leader in productivity and a model of a post-industrial economy.

5) *Decentralization of federal powers to the provinces*

One of the key planks in the Conservative platform speaks to the intention to decentralize some federal powers to the provinces. This is the devolution discussion with a new coat of paint. It is unlikely that anything substantive will occur given the minority government, but this is clearly the direction in which the Conservatives are heading. Dust off those constitutional law texts and be ready to engage the discussion in an informed and constructive manner.