



Priorities for the 2018 Federal Budget Submission to the House of Commons Standing Committee on Finance

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INTRODUCTION

Canadian Actors' Equity Association (Equity) is the voice of professional artists working in live performance in English Canada. We represent close to 6,000 artists working in theatre, opera and dance from coast-to-coast-to-coast. Our membership includes performers (actors, singers, dancers), directors, choreographers, fight directors and stage managers.

What follows are recommendations that we have developed as part of the government's pre-budget consultation process. These were the questions that we addressed:

- 1. What federal measures would help Canadians to be more productive?**
- 2. What federal measures would help Canadian businesses to be more productive and competitive?**

RECOMMENDATION 1:

Improve Canada's taxation, copyright and other appropriate regulatory regimes both for individual artists and not-for-profit live performance organizations.

This answer addresses the government's interest in helping Canadians be as productive as possible in their workplaces and communities.

Artists in Canada are among the most impoverished citizens in society. As self-employed, independent entrepreneurs, they face unique challenges and do not share many of the same support mechanisms as other working Canadians. By affording artists more flexibility in how they report earnings and allowing artists to realize income from their intellectual property, we afford them the opportunity to be productive members of society.

Along with our colleagues at professional associations such as ACTRA, the Writers Union of Canada and the Canadian Dance Assembly, we propose that the government take concrete action to support artists in Canada by introducing income averaging to allow self-employed artists to cope with the significant fluctuations in annual income that routinely occur. Income averaging was previously in place (until 1982) and currently businesses are allowed to both "carry forward" and "carry back" tax losses in a similar way. As an increasing number of businesses don't hire full-time workers choosing instead to switch to contract workers, the reinstatement of income averaging for certain sectors would likely benefit an increasing number of Canadians.

In most cases, grants and bursaries are considered taxable income. Grants intended to assist individuals produce “a literary, dramatic, musical or artistic work” (Canada Revenue Agency) are currently included as part of a self-employed artist's business income. Given the precarious nature of work opportunities faced by artists, offering a tax exemption on a certain amount of grant and/or bursary revenue would benefit artists.

As conversations around reviewing the Copyright Act become more frequent and focused, the government needs to respect the ability of creators to generate income from their intellectual property. In particular, access to copyrighted materials within educational institutions cannot occur without compensating the authors. Copyright revenues are one of many income streams that artists rely on to support themselves and be productive members of society. If we want Canadian content in schools, we need to pay for it.

RECOMMENDATION 2:

Allocate new funding for the CBC to support the recording and broadcasting of live performances so that Canadian content (theatre, opera, dance) is seen in non-traditional venues such as movie theatres, both nationally and internationally, as well as on internet-based platforms.

This recommendation addresses the government's priority in making Canadian businesses more competitive. Specifically, by purchasing advanced technology and equipment Canadian theatres would have the potential to increase their international market share.

Any comprehensive digital strategy must incorporate the live performance industry. We envision key productions at anchor organizations (e.g., The Stratford Festival, Canadian Opera Company, Citadel Theatre, Royal Winnipeg Ballet, etc.) being recorded in English, French and Indigenous languages (when appropriate). Funds need to be made available to organizations for capital costs related to equipment and personnel required to create the recordings and/or broadcast the productions. The live performance industry will also require the infrastructure to market to audiences domestically, as well as internationally. We envision the CBC becoming a key partner as the primary vehicle for the dissemination of both simulcast and recorded performances to primetime audiences.

RECOMMENDATION 3:

Commit to a long-term, international development strategy solidifying Canada's arts and culture industry as a pillar of foreign policy and public diplomacy.

This recommendation addresses the government's priority in making Canadian businesses more competitive. Specifically, by using the arts to champion Canadian values we would have the potential to participate in global value chains and increase Canada's international market share.

There has never been a more pressing moment for projecting Canadian values onto the international community. As a nation we cherish democracy, diversity, tolerance and diplomacy. When we look at the United States and Europe, these values appear to be under threat.

The government's commitment to reimagining international cultural industry promotional programs would be an important step towards that end. However, as these programs are reinvigorated and reconceived we need to move beyond time-limited funds for market development to a longer-term vision supporting all art forms from solo musicians to large-scale orchestras and opera companies.

A longer, sustained time-frame for program support is essential to give productions the lead time that they need to make the necessary complex arrangements required for touring. In coordination with this, foreign missions need to be sufficiently resourced so that they offer a robust platform for appreciating Canadian cultural values abroad. This makes good sense economically as well.

Canada's cultural industries account for more than 600,000 jobs and generate 3 percent of Canada's GDP, or \$47.7 billion a year. Consequently, targeting export increases for live performance is a smart business strategy. Equity is very interested in working with the government on developing this strategy.

CONCLUSION

The precarious and fluctuating income of creators should be addressed by adjusting taxation and copyright regimes so that the cyclical nature of arts revenues is more evenly accounted for over multiple years, and that more of the limited revenue that artists generate stays in their pockets. The live performance industry in Canada offers ready-made material that can easily be broadcast and distributed domestically as well as internationally. Supporting the recording and broadcast of live performance, in partnership with the CBC is an innovative way to make Canadian live performance organizations more competitive on the international stage. In order to export Canadian arts and

culture industries, as a strategy for both diplomacy and economic growth, we propose long-term, reliable support to international funding programs.

Equity sees an opportunity to discuss these innovative recommendations further with the Standing Committee. We need to ensure that live performance professionals are equipped to be productive participants in Canadian society and that the live performance industry is equipped to be competitive in order to promote Canadian values on the international stage.