
Pre-Budget Consultations 2008

**Canadian Actors' Equity Association's submission to the
House of Commons Standing Committee on Finance**



**Canadian Actors' Equity Association
August 14th, 2008**

Canadian Actors' Equity Association (Equity) welcomes the opportunity to make a pre-Budget consultation submission to the House of Commons Standing Committee on Finance in accordance with the Committee's News Release dated June 19, 2008.

WHO WE ARE

Equity is the voice of professional artists working in live performance in English Canada. We are a national artists' association representing more than 5,500 artists working in theatre, opera and dance from coast to coast. Our membership includes performers, directors, choreographers, fight directors and stage managers.

The Association supports the creative efforts of its members by seeking to improve their working conditions and opportunities. The business of Equity is to negotiate and administer collective agreements, provide benefit plans, information and support, and act as an advocate for its membership.

CREATIVE ECONOMY BACKGROUND

In their August 2008 report entitled "Valuing Culture: Measuring and Understanding Canada's Creative Economy" The Conference Board of Canada estimates that the economic contribution of Canada's culture sector was \$84.6 billion in 2007, or 7.4% of Canada's total real GDP. Arts and cultural sector employment exceeded 1.1 million jobs in 2007. These numbers are comparable to the employment figures for the energy, forestry, minerals and metals sectors, as reported by Natural Resources Canada, and demonstrate the increasing importance this sector plays in the overall economic health of the country.

Statistics Canada's employment by industry figures published earlier this year identified that the "information, culture and recreation" sector outpaced the goods-producing sector (agriculture, forestry, fishing, mining, oil and gas, construction and manufacturing) by 7.7% in the period 2003-2007. Job growth across all sectors was 7.6% over the same period, buoyed by a 9.4% increase in the culture sector workforce. In Ontario for example, the province's Arts Council's research revealed that the entertainment and creative sector created over 80,000 net new jobs between 1999 and 2007, an increase of 38.3%, compared to job growth of only 17% across the overall Ontario economy. The importance of this growth is further reinforced by the fact that, according to the latest Statistics Canada data available, 41% of the Canadian population 15 years or older (10.76 million Canadians) attended a concert or performance by professional artists of music, dance, theatre or opera in 2005. This only serves to illustrate the important place that arts and culture plays in the daily lives of citizens.

The issues we raise about our industry cannot only be filtered through a discussion about the numbers – the concern is also for our national identity. Arts and culture are one of the primary ways we communicate our values to our own citizens and the rest of the world. As one of the primary drivers behind the creation and implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Canada recognizes the unique dual economic and social nature of the sector.

Artists are predominantly engaged as independent contractors. Theatre, dance, and opera producers generally contract for an artist's services or contract the rights to a product for a specific period of time, or for a number of uses. Almost all artists have multiple engagements in the course of a single year. Over one in two workers (58% of all those employed in cultural occupations within the culture sector in 2002) in the culture sector was self-employed in 2002; markedly higher than the 15% self-employed workers out of the total Canadian workforce. As they are largely self-employed, cultural workers are ineligible for Employment Insurance, disability or maternity benefits. Canada's social safety net is unavailable to this sector.

EQUITY'S BUDGET RECOMMENDATION

Given the steady growth of the creative economy and its vital contribution to the overall Canadian economy, Equity calls on the Government of Canada to invest in stable and sustainable funding for the arts and culture sector. Funding in this sector yields a distinctly high return in both job growth and GDP contribution.

Of critical concern to the health of the arts and culture sector is support for the renewal of \$342.3 million of existing program budgets within the Department of Canadian Heritage that "sunset" over the next two years. These programs support a variety of activities comprising the creative economy and this funding has provided the critical financial stability necessary to support sector growth. Of particular concern is the "Tomorrow Starts Today" envelope of programs expiring in 2009-10. The recent cancellation of several programs which provide resources for Canadian artists to travel internationally, an already underfunded activity, call into question the Government's commitment to supporting these programs. It is unclear to us how these important resources will be replaced, leaving Canada vastly under-represented on the world stage.

Equity's recommendation to the Committee:

That the Government of Canada ensure stable, multi-year funding for all federal programs, regardless of the department through which it flows, for the arts and culture sector at no less than current levels.

FINAL WORDS

It must be said that stable and sustainable funding is critical to a successful creative economy and is support upon which the arts and culture sector rests. However the ability of professional artists to earn a living allowing them the creative freedom to bring their work to audiences at home and abroad requires more than direct arts and culture program funding. The advancement of tax legislation reform would greatly enhance the economic livelihood of artists working in the arts and culture sector, and would further enhance the economic contribution made by the creative sector as a whole.

Equity supports the advancement of tax legislation including:

- Full exemption from income tax on grant income earned by individual artists through awards from the Canada Council for the Arts, the provincial arts councils, and other Canadian grant agencies;
- The introduction of income-averaging to allow self-employed artists to cope with the significant fluctuations in annual income that routinely occur from year to year. Income averaging would ensure a more equitable taxation of artists;
- A federal tax exemption of up to \$30,000 per year on income derived from copyright, neighbouring rights and/or other income derived from the sale of any creative work;
- Extension of maternity and parental leave benefits to self-employed artists under Employment Insurance legislation; and
- An extension of the child tax credit for physical activity to the parents of children enrolled in arts and culture activities.