



# **Branding Canada**

## **Through the Live Performing Arts**

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### **Priorities for the 2017 Federal Budget**

#### **Canadian Actors' Equity Association**

#### **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.

Equity is encouraged by many of the much-needed cultural investments that the Canadian Government has committed to in its mandate. We hope to see those investments reflected in the upcoming budget.

At a time when so many nations are operating from a position of austerity and fear by closing their doors to the international community, Canada has been visionary by embracing the global village in which we exist. The Government understands that culture provides the ideal vehicle by which to convey the Canadian brand throughout the world. In particular, we applaud commitments made to investing in Canadian cultural and creative industries allowing Canadian artists to share their stories at home and abroad. Equity was excited to see:

- \$675 million of investment in the Canadian Broadcasting Corporation/Radio
- \$360 million of investment in the Canada Council for the Arts
- \$35 million of investment to support the promotion of Canadian artists and cultural industries abroad

Through the Department of Canadian Heritage's pre-consultations titled, *Strengthening Canadian Content Creation, Discovery and Export in a Digital World*, the Government has solicited innovative thinking in relation to the digital economy. In this submission Equity proposes ideas that could have a lasting impact on our nation. While the experience of live performance is unique, technology has evolved so that it is now possible to share the experience digitally as well. The expanse of this great country requires fresh ideas around how to engage with Canadian artists' works. The stories within these productions form an essential part of the Canadian identity and, through technology, can be disseminated to domestic audiences and also exported throughout the world reinforcing our national brand.

## RECOMMENDATION 1:

**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 Budget Consultation question #3; encouraging the growth of the live performance community both domestically as well as internationally.*

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 Native 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 would 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.

Like our colleagues at ACTRA, we support the recommendations put forward by John Anderson in his recent Canadian Centre of Policy Alternatives report titled *An Over-the-Top Exemption It's Time to Fairly Tax and Regulate the New Internet Media Services*. Mr. Anderson specifically suggests that the Government:

- Regulate OTTs through the CRTC
- Collect both Value-Added Taxes (HST, PST and GST) as well as income taxes from OTTs
- Insist on contributions of 5% of gross revenues from OTTs devoted to the development of Canadian culture through a third-party administrator
- Insist on higher levels of Canadian programming
- Double funding for the CBC/ICI Radio-Canada

Equity recommends that a portion of these new tax revenues be allocated to the project to record live performances. The anticipated outcomes will be: additional work opportunities for Canadian performing artists, increased commercial consumption of Canadian content, and a digital library of productions that creates a legacy for future generations. This idea is particularly timely in light of Canada's 150th birthday celebrations in 2017.

## **RECOMMENDATION 2:**

**Ensure live performance venues across Canada have access to infrastructure funding so that facilities comply with regional accessibility standards accommodating performers' needs.**

*This recommendation addresses Budget Consultation question #1; accommodating performing artists in their workplaces.*

The Government, through its Canada Cultural Spaces program has laid out a plan to invest \$168 million over two years in arts-related infrastructure. The infusion of money is timely as so many theatre buildings were built approximately 50 years ago during Canada's 100th birthday celebrations. Many of these structures are in a state of disrepair due to neglect and were also constructed at a time when accessibility was not as high of a priority. In other cases heritage buildings have been repurposed to function as performance venues. So often, renovations are made with visitors in mind but it is imperative that the Government earmark funds for making stages, both onstage and off, safer and more accessible for our members.

## **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 Budget Consultation question #; 3 allowing more Canadian performing artists' work to reach international markets.*

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 to the United States and Europe, these values appear to be under threat.

The Government's reinstatement of the TradeRoutes and PromArt programs is an important step towards that end. However, as these programs are reinvigorated and reconceived they need to move beyond 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 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 new framework.

## **RECOMMENDATION 4:**

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

*This answer addresses Budget Consultation question #2; assisting Canadian artists in reaching their prosperity goals.*

Artists in Canada are among the most impoverished citizens in society. As self-employed, independent entrepreneurs, they face unique challenges and do not share in many of the same supports as other working Canadians.

Along with our colleagues such as the Canadian Dance Assembly, ACTRA and others, we propose the Government take concrete action to support artists in Canada by:

1. Introducing income averaging to allow self-employed artists to cope with the significant fluctuations in annual income that routinely occur. Income averaging was 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 do not wish to hire full time workers and are choosing instead to switch to contract workers, the reinstatement of income averaging for certain sectors would likely benefit an increasing number of Canadians.
2. 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.

## **CONCLUSION**

The live performance industry in Canada offers ready-made material that can easily be broadcast and distributed domestically as well as internationally. Some of the revenue that would be generated by regulating and taxing OTTs should be allocated to supporting the recording and broadcast of live performance, in partnership with the CBC.

Many Canadian performing arts facilities are in a state of disrepair. In order to address workplace accessibility concerns, we ask that the Government allocate sufficient infrastructure funds over a reasonable period of time in order to update these vital facilities so that live performance professionals have safe and accessible working environments.

In order to export Canadian arts and culture industries, as a strategy for both diplomacy and economic growth, we propose a rethink of our long-term support to international funding programs.

The precarious and fluctuating income of creators should be addressed by adjusting taxation 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.

Equity sees an innovative opportunity to work with the Government to ensure that the live performance industry is equipped to have a global conversation about the value of what it means to be Canadian on the international stage.

Together we can sell our value-laden brand to the world.