

The Canadian Dance Assembly's Pre-Budget Submission 2016

Brief to the Standing Committee on Finance:

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Clerk, Standing Committee on Finance

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Introduction

The Canadian Dance Assembly (CDA) is the national arts service organization for the dance sector. The CDA represents 600 organizations and dance artists across the country; with partner provincial organizations, it has a global reach of more than 3000 members. The CDA wants to thank the federal government for its support of the arts in the 2016 Budget. These recommendations take into consideration the evolving dance sector in 2017.

Executive Summary

The Canadian Dance Assembly brings forth two recommendations for the development of the 2017 federal budget:

1. Implement **income averaging** tax fairness for Canadian artists, especially dancers
2. Extend and sustain two-year arts investments from Budget 2016, in the **Cultural Spaces and in the Showcasing Canada programs.**

Recommendation One addresses Canadians' need, especially in dance, to better contribute to economic growth (focal point one). Recommendation Two addresses how Canadian artists can better compete internationally and how Canadian arts organizations can contribute to their communities (focal points two and three).



Recommendation One: Implement income averaging tax fairness for Canadian artists, especially dancers

According to a national survey of professional dancers in Canada,¹ annual earnings average only \$18,000 per annum, and 72% of professional dancers need to supplement their income with additional part-time employment. As primarily self-employed, independent contractors, dancers face unique challenges and simply do not share in many of the same support systems as workers in other sectors in Canada. The CDA proposes that the federal government take concrete action to provide fair and equitable tax treatment for dancers and artists.

Along with Canadian Actors' Equity Association, the CDA's supports 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 was in place for individuals until 1982; notably businesses are allowed to both "carry forward" and "carry back" tax losses in a very similar way. The trend is clear, businesses do not wish to hire full-time workers and are choosing instead to switch to contract workers. Contract work in the performing arts is not consistent, therefore some years are good and some are not.

For example, dancers may be part of a successful touring production one year thereby dramatically increasing their income; but tours are rare, so the following year would have considerably less opportunities for income. The ability of off-set a higher income over a three year period would provide a greater level of stability for the creative sector.

Expected cost: \$10 million

Period of time: beginning in 2017

Intended Beneficiaries: Canadian artists and their families will benefit from this taxation policy shift. According to the National Household Survey (2011), there are approximately 140,000 professional artists in Canada.

Impact: Other jurisdictions, like the UK and Australia, already offer their artists the ability to income average over a period of time, in recognition of the lack of stability inherent in their work. Additionally, the Province of Quebec also allows artists to average over a number of years a portion of their income over a certain threshold. Federal income averaging would improve Canadian artists' ability to plan financially, which would help keep more skilled workers in the field and working in Canada.

¹ *A Profile of Professional Dancers in Canada*, Kelly Hill, Hill Strategies Research Incorporated. Toronto 2005.



Recommendation Two: Extend and sustain two-year arts investments, from Budget 2016, in the Cultural Spaces and in the Showcasing Canada programs.

Rationale: The CDA stands with the Canadian Arts Coalition in calling for sustained funding for the Canada Cultural Spaces Fund and the Showcasing Canada program.

The reinvestment in the Canada Cultural Spaces Fund, as part of Phase 1 of the Government of Canada's infrastructure plan, is a timely recognition of the aging infrastructure at many arts organizations. Currently, one of the pressing needs is to make these older facilities, such as the Winchester Street Theatre in Toronto, fully accessible for the Canadian public. Considering the preparations necessary for a large-scale renovation such as feasibility studies, the timeline of just two years will significantly limit the eligibility of projects. There are only a two shovel-ready projects in dance today. By extending the Cultural Spaces program into Phase Two of the Infrastructure plan, the potential growth for the arts sector is significant. Notably, with the increases to the Canada Council for the Arts beginning in 2016, the federal government has taken the first step by investing in the artists and organizations. Those artists need more and better functioning arts facilities in order to reach Canadians. More and more cultural spaces have evolved to become community hubs, such as Espace Danse in Montreal, as a result these spaces are essential to the well-being of Canadian communities. A sustained investment in the Canada Cultural Spaces Fund into Phase Two is necessary at this time.

The new Showcasing Canada's Cultural Industries to the World fund is still in the consultation phase. The dance sector is eager to benefit from funding for international market access, especially the collaboration with the experts from International Trade and Global Affairs. Specifically, Canadian dance artists and companies (businesses) stand to benefit from this targeted investment in international cultural trade which will also result in reciprocal relationships for Canadian presenters. Showcasing Canada will fill a hole in the dance sector experienced for over five years. As a result of this gap in funding, international relationships with promoters, programmers, and curators have diminished greatly. It takes more than two years to develop these relationships again and to secure tours. In addition, it takes more than two years for a program to deliver measurable outcomes. Consequently, funding for Showcasing Canada needs to be extended up to 2020, at which point this new program should be subject to a summative evaluation. Showcasing Canada addresses a clear priority in the dance sector, in order to encourage the export of cultural products, investment must be sustained.



- Expected cost:** Cultural Spaces, \$84 million annually
- Period of time:** Phase Two of the Infrastructure Plan, 2018-2024
- Expected cost:** Showcasing Canada, \$25 million annually
- Period of time:** 2018-2020

Intended Beneficiaries: The beneficiaries of the Cultural Spaces fund are individual Canadians and their communities across the country. These Cultural Spaces are the gateways to Canadian artists and artwork. These pivotal facilities are often community hubs that provide access to audiences, viewers, and clients.

The beneficiaries of the Showcasing Canada fund are Canadian artists, companies, and international audiences. The world needs more Canada! Showcasing Canada brings our country's best artists to foreign audiences. But it is so much more than one-time access, Showcasing Canada will build a relationship with Canadian artists and businesses. International recognition will in turn breed local appreciation of Canadian artists.

Impact: The arts sector has been advocating for the return of international market support since its demise in 2008. At the time, the Canadian Conference for the Arts wrote about the success of previous programs, Trade Routes and PromArt, "The often relatively small amounts granted under both programs have had a leverage effect for many artists and organizations as they sought support to develop markets abroad, contribute to our national image and lend valued support to other general trade development efforts of our missions abroad." Sustained funding for Showcasing Canada will help Canadian artists build fruitful and reciprocal relationships around the globe.

The impact of a sustained Cultural Spaces program will be better and an increased number of community hubs across the country made with artists in mind. Cultural Spaces are the ideal way for young Canadians, seniors, and families to interact and engage with the arts.

