



**Saskatchewan  
Arts Alliance**

**Saskatchewan Arts Alliance  
2012 Pre-budget Submission  
to the Standing Committee on Finance**

**August 2011**

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### **About the Saskatchewan Arts Alliance (SAA)**

Saskatchewan Arts Alliance (SAA) is an inclusive, member-driven coalition of arts organizations that provides a collective voice for the Saskatchewan arts community. We speak on behalf of seventy member arts organizations representing all the arts areas of performing, visual, media and literary. Through its membership, SAA's reach extends to artists located in all parts of the province.

Saskatchewan Arts Alliance is pleased to make this submission to the Standing Committee on Finance and has two recommendations for consideration in development of the 2012 federal budget:

- Investment in the culture sector will provide strong returns and create jobs
- Ensure legislation fits the circumstances of artists.

### **1. Investment in the culture sector will provide strong returns and create jobs**

The arts and culture sector makes a significant contribution to Canada and its citizens, economically and socially. Investing in the sector provides strong returns and also, as cultural work is labour intensive, it creates jobs that are characterized by a high degree of self-employment. In 2007, the sector's direct contribution to Canada's GDP was \$46 billion; when including indirect and induced inputs, the GDP increase to \$84.6 billion (Conference Board of Canada).

There are 140,000 artists in Canada who spent more time at their art than at any other occupation in May 2006. Significantly, the number of artists is slightly larger than the number of Canadians directly employed in the automotive industry. Overall, the arts and culture sector provides direct employment to over 640,000 jobs in the Canadian economy, three times the size of Canada's insurance industry and twice the size of Canada's forest industry. The sector has a higher proportion of self-employment and a predominance of women than the overall labour force. Additionally, the sector is highly educated: 83% of cultural workers have post-secondary degrees, compared with 62% of the total labour force. (Hill Strategies Research)

The arts and culture sector, an integral part of the new creative economic environment, is connected to and impacts other economic sectors, including new technology, tourism, education, and the service sector. The sector provides strong returns. According to the Conference Board of Canada, for every \$1 of real value-added GDP produced by Canada's cultural industries, roughly \$1.84 is added to the overall real GDP. Additionally, government investment in the sector is a necessary catalyst for economic activity. To illustrate, for each dollar government invests in the performing arts an additional \$2.70 in revenues is generated (Hill Strategies).

### **2. Ensure legislation fits the circumstances of artists**

Many artists are self-employed entrepreneurs whose work circumstances do not fit Canada's tax regime. For example, it is common for an artist's income to fluctuate greatly from year to year, leading to unfair distribution of taxation. An artist may work over a period of several years on a project that generates income in the final year and subsequently, that income is taxed at the highest taxation level. Fair tax treatment of artists would include:

- reintroduction of income averaging

- tax exemption for grant income
- tax exemption of revenue derived from copyright and residual payments.

Government's development of a strategy for the digital economy must take into consideration the circumstances of artists. The modernization of the Copyright Act must enable artists to receive payment for the artwork they produce – that is how many artists make their living and contribute to Canada's economy.