



# BULLETIN

Canadian Conference of the Arts ~ Conférence canadienne des arts

## **LATEST GOVERNMENT EXPENDITURE FIGURES RELEASED**

**Ottawa, January 27, 2005** - Statistics Canada has released the figures for all three levels of government cultural spending for 2002-03. The short report can be found at [www.statcan.ca/Daily/English/050127/d050127b.htm](http://www.statcan.ca/Daily/English/050127/d050127b.htm) Overall, spending on cultural increased by 5.2% from the previous year, but this was a lower rate of increase than had been experienced in the previous two years.

The following are some of the highlights of the report.

### **Federal funding**

- ⇒ Per capita funding averaged out to \$109. All three territories received the highest amounts (Northwest Territories \$681; Yukon \$497; and Nunavut \$238), followed by the provinces of Quebec (\$154) and Prince Edward Island (\$153). The lowest per capita funding was received in British Columbia (\$44) and Saskatchewan (\$49).
- ⇒ Cultural industries received the bulk of the federal funding, up 4.6% from the previous year (17% increase since 1998-99):
  - 73% went to broadcasting
  - 21.1% went to the film and video industry (mainly Quebec and Ontario)
  - book and periodical publishers received a 5% increase
- ⇒ Heritage received nearly a quarter of the total cultural budget (Ontario accounting for the most growth).
- ⇒ Funding for the performing arts increased more than 26% from the previous year (with organizations in Quebec and Ontario benefiting the most).

### **Provincial funding**

- ⇒ Most of the spending went on libraries (about 40%) and heritage activities (25%).
- ⇒ Cultural industries received 14% of the culture budget, up 7% from the previous year, with Quebec's cultural industries receiving 22% of that province's budget.
- ⇒ Funding to the performing arts was up nearly 9% from the previous year, with Quebec showing the greatest increase. "The government of Quebec spent 16 cents of every dollar of its culture budget on the performing arts..."

### **Municipal funding**

- ⇒ Libraries received approximately 75% of the total municipal cultural budget.

## **AUSTRALIA ANNOUNCES NEW TAX RULING FOR ARTISTS**

The Australian Taxation Office (ATO) recently announced a new ruling for professional artists. The ruling, which can be found at <http://www.lawlex.com.au/files/LAWLEX%20Taxation%20Newsfeed.htm> "provides guidance on the principles to be applied in determining whether an artist is carrying on business as a 'professional artist'", given the "distinctive nature of the arts profession". Australian arts organizations have been lobbying for such recognition for several years, and are calling this a "landmark" ruling and a "benchmark internationally".

The ruling can be compared with existing Canadian legislation and practice, particularly in how to differentiate between professional artists and "hobbyists". The Canadian Income Tax

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Act provides that employed artists may deduct certain expenses against their earned income. Canadian artists considered to be independent contractors may deduct their artistic expenses against all of their income, whether earned from their art or otherwise.

One area where the new Australian tax ruling and Canada's practices diverge concerns how Canadian tax authorities determine whether the taxpayer has "a reasonable expectation of making a profit" from the artistic activity and thus whether the taxpayer can be considered to be "carrying on a business". Australia has concluded that what differentiates a professional from an amateur is a commercial motive. If the artist intends to exploit his/her work commercially and has taken objective steps in that direction, they are considered to be "carrying on a business". In Australia, there is no requirement for an "expectation of profit" from this artistic activity, merely that the activity has a "significant commercial purpose or character."

### **CCA INVITES ARTS ORGANIZATIONS AND ASSOCIATIONS TO SIGN ON TO THE "REGINA MANIFESTO"**

CCA is receiving signed sheets on a daily basis from cultural organizations and associations, individual artists and cultural workers, and labour groups, to the "Regina Manifesto" launched at its national policy conference in Regina at the end of November. If you haven't signed on to the campaign to stop Canada Revenue Agency's erosion of the self-employed status for professional artists, and wish to do so, details are available on our website at <http://ccarts.ca/en/fairtax.htm>.