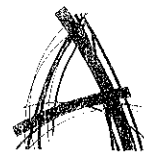
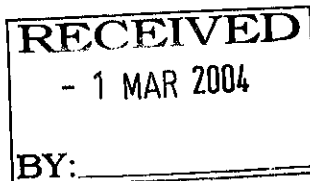


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ausdance



Australian Dance Council
Ausdance Inc
National Office
40 Mort Street
Braddon ACT 2612

Post •
PO Box 45
Braddon ACT 2612
T +61 2 6248 8992
F +61 2 6247 4701
national@ausdance.org.au
www.ausdance.org.au
ABN 95 977 217 106

25 February 2004

Board of Taxation

Post-implementation Review of Non-commercial Losses (Division 35)

The Special Circumstances of Artists

The Australian Dance Council – Ausdance Inc. supports the case for professional artists being exempted from the operation of Division 35. There are negative consequences for dance artists, particularly those working across the sector as choreographers, dancers, directors and teachers.

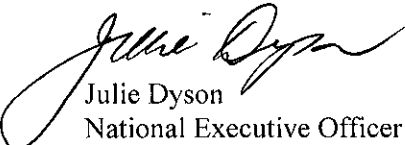
The dance sector supports the research which shows that the subsidisation of art in Australia comes primarily from the artists themselves. The provisions currently contained in section 35-10(4) discourage artists from continuing to subsidise their arts practice at the same high levels achieved by many artists in the past. There is no incentive to reach beyond the limit of \$40,000 in non-arts related income.

Examples in the dance sector include independent artists who may work for part of the year in a project company – either as a primary creator or as a performer in someone else's project – but support themselves for the remainder of the year in a variety of ways, including teaching for a dance studio, working in a coffee shop or for a temp agency. Very few dance artists own any property, and even a car is a luxury on the incomes derived from these sources.

There is also the problem of an artist who might receive a grant of, say, \$43,000. These artists will spend the major part of the grant funds on venues, marketing and wages expenses, perhaps receiving \$2,000 themselves as payment for their months of work on the project. However, the total amounts have been assessed as part of their personal income, creating an impossible situation with the taxation department.

This is a necessarily brief description of some of the problems encountered in the dance industry. However, Ausdance will provide further information should that be required. In the meantime, we support the full submissions being made by the Australia Council, NAVA and others, and look forward to a review of the relevant Act.

Yours faithfully,


Julie Dyson
National Executive Officer

