



ORCHESTRAS
ORCHESTRES | CANADA

**Submission to the Standing Committee on Finance
2020 Pre-budget consultation
2 August 2019**

**Katherine Carleton, C.M.
Executive Director/ Directrice générale
Orchestras Canada/Orchestres Canada**

**P.O. Box 2386
Peterborough, Ontario
K9H 2K2
<https://oc.ca>**

**katherine@oc.ca
705-243-6640**

Orchestras Canada/Orchestres Canada Recommendations:

- 1. Ensure that charities and not-for-profits have the same access to federal programs supporting research and fact-based carbon reduction education and projects as their SME and MUSH-sector counterparts.**
- 2. Ensure that the five-year \$180 million investment for the Canada Council for the Arts announced in Budget 2016 is completed in Budget 2020-21.**
- 3. Enhance the budget of the Endowment Incentives component of the Canada Cultural Investment Fund by \$6.5 million annually, to help arts and culture organizations raise private sector contributions and develop stable, long-term revenues through the growth of endowment funds.**
- 4. Increase funding and support for internships and on-the-job training for arts managers by \$500,000 annually to ensure succession planning and diversification of the sector.**

Preamble

On behalf of our 130 member orchestras from across Canada, the audiences they engage, and the diverse communities they serve, Orchestras Canada/Orchestres Canada (OC) is pleased to participate in the Standing Committee on Finance's pre-budget consultations.

At OC, we believe that orchestras are strong contributors to quality of life in Canadian towns and cities, valued participants in community commemorations, capable partners in community cultural and educational development, and proud standard-bearers for Canadian achievement, locally, nationally and internationally.

Canadian orchestras are not-for-profit organizations and registered charities. According to data collected by Orchestras Canada¹, Canadian orchestras gave 3718 performances for 2.894 million Canadians in 2017-18. That same season, our members generated revenue from box office and other earned sources (an average of 36.2% of revenues); donations, sponsorship, and special events (38.8%), and from grants and contributions from various levels of government (25%). Over 70% of a typical orchestra's expense budget is spent on people. Orchestras manage their resources prudently, but without adequate long-term capitalization, they can be profoundly affected by even minor changes in their operating environments.

Orchestras contribute significantly to the vitality, cohesion and competitiveness of Canadian communities; the ability of Canadian communities and businesses to attract and retain talent; creating and maintaining good jobs and contributing to the quality of lives of Canadians. These are key attributes that help make Canada such a desirable country in which to live and do business. Export of Canadian orchestras' work – through international touring and digital dissemination of recordings and live streaming – projects a modern image of Canada, highlights

¹ Orchestras Canada Comparative Report 2017-18: <https://oc.ca/en/resource/comparative-report/>

the talent of artists from across the country, supports innovative approaches and leverages the creativity of technological progress and contributes to Canada's cultural diplomacy.

Accordingly, while we see government investment in orchestras as important, we are equally interested in policies that favour attractive, sustainable, participatory communities, and the growth and sustainability of the charitable sector. The four measures that we propose this year will be good for orchestras; and they'll contribute to the cultural and economic fabric of our communities, too.

Recommendation #1: Collective responses to the climate emergency

This year, the Committee is specifically seeking recommendations pertaining to the climate emergency and the transition to a low carbon economy. OC and our members know that climate change is a profound threat to our economy, our communities and our future, and we are pleased to address this topic in our brief.

Canadian orchestras are increasingly engaged in carbon reduction efforts through:

- Stewardship (operation or tenancy) of performing, rehearsal and office space, often in re-purposed or heritage buildings;
- Operating practices that prioritize energy-use and waste reduction, and strategic use of digital materials in place of paper;
- Encouragement to audience members to consider transportation alternatives;
- Careful planning of tours, to minimize carbon footprint;
- Artistic programming that helps to draw public attention to environmental issues.²

As important as these measures are, they reflect hyper-local and isolated responses to a global concern. For Canadian orchestras to fully engage in this work – with other performing arts partners in both the for-profit and not-for-profit sectors –they require access to the same policy frameworks, research, knowledge-sharing, and supports as their counterparts in the Small and Medium Enterprise (SME) and Municipalities, Universities, School Boards and Hospital (MUSH) sectors. Environmental sustainability and the transition to a low carbon economy must be a movement and not simply an action: and it starts with research and education, and culminates in collective and informed action.

Orchestras Canada looks for inspiration to the UK, where bespoke research on the carbon footprint of the performing arts sector has shed light on the greenhouse gas emissions associated with music venues, touring, and audience travel, among other contributors.³ This solid base of facts has empowered funders, member-driven organizations and orchestras to take meaningful, collective steps toward a lasting change. The UK orchestral sector has

² The Earth Day Network has compiled a list of orchestral works inspired by environmental issues, including Canadian composer Vincent Ho's Arctic Symphony, composed for the Winnipeg Symphony Orchestra <https://www.earthday.org/artsmusicorchestras/>

³ Julie's Bicycle, a UK-based NGO, has produced a significant body of research for and with UK arts group: <https://www.juliesbicycle.com/Pages/Category/resource-hub?Take=24>

developed a Green Charter⁴; arts organizations have identified and measured their main environmental impacts (energy, water, waste, travel); the sector has started to create a demand for goods with strong environmental credentials and commit to sustainable procurement; touring groups have included a “green rider” in performance contracts, made marked efforts to “travel green” (including using public transportation where possible, including on tour⁵), and have worked in collaboration with their venues and with public transit agencies to make it easier for audience members to travel to concerts by transit, bicycle, or electric car.⁶

Canadian orchestras are keen to play our part, and we will work in collaboration with peer organizations in the live music industry to share best practices and, where relevant, engage in dialogue with the Government of Canada. Our efforts will be aided if **charities and not-for-profits have the same access to federal programs supporting research and fact-based carbon reduction education and projects as their SME and MUSH-sector counterparts.**

Recommendation #2: Support for the arts through the Canada Council for the Arts

In Budget 2016, the Government of Canada made a five-year commitment to doubling funding for the arts through the Canada Council for the Arts, taking the Council’s annual parliamentary appropriation from \$181 million in 2015-16 to \$361 million by 2020-21. We thank the Government of Canada for this investment, and **we encourage the Government of Canada to honour this commitment in full, and include the final installment of \$35 million in Budget 2020-2021.**

Canada Council funding made up just 5.9% of total orchestras’ revenues in 2017-18, a proportion that had been declining over the previous five years. With the new infusion of Canada Council funds, we see that this trend is starting to shift. Increased core funding from the Council will permit better planning, more efficient use of resources, and greater resiliency. This, in turn, will enable greater reach, stronger investment in human potential, and robust responses to the diverse and changing nature of Canadian communities. Artists and arts organizations in communities across the country have only just started to benefit from this enhanced investment, and they are using it to create new work, new markets, and new prosperity.

Recommendation #3: Increased investment in matching funding for endowments

As the next step in recent updates to the guidelines for the Endowment Incentives Component of the Department of Canadian Heritage’s Canada Cultural Investment Fund, **we encourage the Government of Canada to increase the budget of the Component by an additional \$6.5 million per year.**

⁴ Green Orchestral Charter: <http://www.orchestraslive.org.uk/resources/green-orchestral-charter/>

⁵ Green Touring Guide: <https://www.juliesbicycle.com/resource-touring-guide-2015>

⁶ Audience Travel Report: <https://www.juliesbicycle.com/resource-audience-travel-report-2009>

Orchestras continue to seek ways to stabilize and diversify their revenues, and endowment funds (funds contributed for long-term impact, invested in perpetuity, and producing an annual payout to support a charity's mission) are an increasingly important tool for them. OC began collecting information on endowed funds held by or managed on behalf of by Canadian orchestras in 2005-06; since then, orchestras' endowment holdings have grown from just over \$74 million to almost \$260 million.⁷ The annual payout from these funds is in the order of \$12.3 million, almost as much as the total contribution of the Canada Council to Canadian orchestras.⁸ The proceeds of endowment funds are critical to securing orchestras' artistic and community programs.

Since 2001, the Department of Canadian Heritage has supported the growth of arts endowments through a component of the Canada Cultural Investment Fund. Arts organizations can apply annually to get gifts to endowments matched by up to 100% through the Endowment Incentives program, and many orchestras both large and small have taken part. The program has been extremely successful: applications to the program are growing in number, and in recent years it is increasingly limited in the match it can offer. An additional \$6.5 million annual investment in the Endowment Incentives program would address the growth in demand on the program. These enhancements would also enable arts organizations of all sizes to continue to build endowment funds by encouraging donors to think long-term.

This is an investment in the future: smart tax policy and progressive program design can provide incentives for increased giving by Canadians, and Canadian orchestras are highly motivated to pursue private sector giving. As we stated earlier, in 2017-18, a remarkable 38.8% of Canadian orchestras' revenue came from charitable, corporate, and special event fundraising.⁹ According to a recent analysis by the Canada Council for the Arts, Canadian orchestras saw a 34.4% growth in private sector giving between 2010-11 and 2016-17.¹⁰ If this recommendation is implemented, arts and culture organizations of all sizes will grow their endowment funds, thereby diversifying revenue streams. The result? Arts organizations that are even more artistically vibrant, responsive to community concerns, and adaptable in a transitioning economy, too.

Recommendation #4: Increased investment in internships and youth training

Our sector is continually called upon to anticipate changes in our communities, and develop strategies to adapt our current business models. We know that investing in workforce training and opportunities for emerging management, administrative, and artistic talent is critical to the continued viability of orchestras. Yet continuing financial pressures have resulted in a restructuring of the administrative workforce at Canadian orchestras: a recent Canada Council study of 47 of Canada's largest orchestras reveals that there's been an 11.4% decline in the number of full-time, full-year positions at Canadian orchestras between 2010-11 and 2016-17,

⁷ Orchestras Canada Comparative Report: <https://oc.ca/en/resource/comparative-report/>

⁸ Ibid.

⁹ Ibid.

¹⁰ Canada Council Arts Facts: Orchestras <https://canadacouncil.ca/research/research-library/2019/05/arts-facts-using-cadac-data-47-symphony-orchestras>

while seasonal and short-term contract positions have gone from 29% to 50% of the workforce during the same time period.¹¹ These changes reflect orchestras' keen interest in making their operations ever more efficient; however, they may – quite inadvertently – close off necessary opportunities for meaningful, reciprocal inter-generational knowledge transfer and thoughtful succession planning.

Canadian orchestras continue to highlight the critical importance of a well-trained, up-to-date and diverse workforce. Working for a Canadian arts organization is often seen as a labour of love, not necessarily a viable career. This, despite the overall cultural sector contribution of \$53.1 billion to our country's GDP.¹² This is particularly the case for young Canadians, seeking to start their career in the current precarious job market. At present, there are few ways to gain a foothold in the cultural sector. In recent years, the Young Canada Works/ Cultural Human Resources Council funding program has had a budget of \$226,000 to partially support only 20 paid placements in arts administration per year. Given the urgent need for succession planning, mentorship and knowledge transfer, we need to do better.

Accordingly, we urge the Government of Canada to expand the Young Canada Works program in the area of arts and cultural administration. By increasing the investment in this program by \$500,000 per year (from its current base of \$226,000), young and emerging arts and cultural workers will gain valuable experience with arts organizations and the organizations themselves can skill up.

Conclusion

Orchestras Canada thanks the Standing Committee on Finance for the opportunity to contribute to the 2020 pre-budget consultations. We would be pleased to discuss our recommendations with you further.

About Orchestras Canada

Orchestras Canada/Orchestres Canada is the national association for Canadian orchestras, with a mandate to serve Canadian orchestras in both official languages through research, knowledge-sharing, convening, and advocacy. Orchestras Canada/Orchestres Canada has member orchestras in every Canadian province, ranging from volunteer and youth orchestras to major professional ensembles.

¹¹ Ibid.

¹² Statistics Canada, The Daily (24 April 2019): <https://www150.statcan.gc.ca/n1/daily-quotidien/190425/dq190425b-eng.htm>