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Communications and Member Services

Coordinator/Coordonnateur,

communications et services aux membres

The Honourable Steven Guilbeault
Minister of Canadian Heritage
By email: Steven.Guilbeault@canada.ca

The Honourable Bill Morneau
Minister of Finance
By email: Bill.Morneau@parl.gc.ca

The Honourable Ahmed Hussen
Minister of Human Resources and Skills Development
By email: Ahmed.Hussen@parl.gc.ca

The Honourable Diane LeBouthillier
Minister of National Revenue
By email: Diane.Lebouthillier@parl.gc.ca

The Honourable Chrystia Freeland
Deputy Prime Minister, Minister of Intergovernmental Affairs
By email: Chrystia.Freeland@parl.gc.ca

The Honourable Jean-Yves Duclos
President, Treasury Board
By email: Jean-Yves.Duclos@parl.gc.ca

Dear Ministers,

We write on behalf of 130 member orchestras – including 70 professional and semi-professional ensembles - across the country, the musicians they engage, and the communities they serve. We request your help in securing urgently needed assistance for artists, arts workers, and arts organizations grappling with the impact of COVID-19 and the necessary measures in place to control its spread.

In 2018-19, Canadian orchestras reached almost 2.8 million Canadians through live performances in concert halls and community venues, and millions of others through streaming and recordings. From St. John's to Victoria, from Prince George to

Charlottetown (and many places in between), Canadians benefit from orchestras' activities, whether through public concerts, youth orchestra programs, seniors' programs, community music schools, concerts in and for schools, newcomer welcoming, social prescribing and support to music therapy programs, and sheer, enriching pleasure.

The Financial Impact of COVID-19 on Orchestras

Mandated closures and the economic effects of COVID-19 mean that orchestras are looking at losing a minimum of 3 to 4 months of non-governmental revenue in the short term; followed by several challenging seasons of rebuilding attendance, donations, and ticket sales.

Our high-level estimate of the short-term revenue loss is this: there are over 70 orchestras in Canada, and **collectively we are looking at losing between \$38 million and \$50 million in non-governmental revenues this season.** This represents between 17% and 23% of our total annual revenue for the year.

We are currently working to survey our members to determine the impact in more detail, and will share those results with you as soon as we can.

We already know that this is creating significant challenges for employees and for liquidity. There have already been major layoffs announced at the Winnipeg Symphony Orchestra and the Calgary Philharmonic Orchestra, and we anticipate many more announcements in the coming weeks.

We have identified the following actions to help orchestras address the immediate challenges of COVID-19 and the economic challenges it has brought.

Urgent Short-Term Measures

I. Access to working capital

Orchestras echo Imagine Canada's request that the Government of Canada consider the needs of charities and not-for-profits in designing support and recovery programs, including enhanced access to working capital loans.

The Federal Government can take immediate action to help orchestras by doing the following:

- **Accelerate payment schedules for all grants from government departments and arms-length funders for the 2020/21 fiscal year** to help relieve cash flow pressures. This is an action that other levels of government, including the provinces of Ontario and Quebec, have already started to work on.
- **Remove the exclusion of organizations that further a charitable purpose under the Canada Small Business Financing Act.** This will allow many orchestras across Canada to benefit from the leadership and support of Canada's banks during this crisis.

2. Help us pay our people - to sustain us through the crisis and help us recover afterwards

Orchestras need access to immediate funding to ensure that they can honour their commitments to guest artists, staff, and musicians (both musicians with annual contracts, and freelance musicians contracted for individual concerts) through to the end of the 2019-20 season.

We recognize that, in common with many other industries, orchestras will commence (and, in fact, already have commenced) laying off people. **We applaud the creation of the Small Business Wage Subsidy Program; as well as the Emergency Care Benefit and Emergency Support Benefit to support workers who would not normally be eligible for Employment Insurance.** These will be an essential lifeline for many of the musicians and staff that we engage.

We want to work with you to ensure that our artists are eligible to participate based on the true extent of their work week, including permitting musicians to include practice and preparation time as hours worked for eligibility purposes. A typical collective agreement for a professional orchestra caps musicians' onsite work week at eight 2.5-hour services per week; but the expectation is that musicians will have invested at least as much time in practice and preparation to maintain and sharpen their skills, and ensure that they are in top playing condition for all rehearsals and performances. Not unlike our elite athletes, musicians are continually "training" for their work.

While the Small Business Wage Subsidy, Employment Insurance and the Emergency Support Benefit—as announced—are of great help, **orchestras are also in need of additional support, including enhancements to the Small Business Wage Subsidy and one-time funding to offset losses to enable them to continue paying essential staff and musicians throughout this crisis**, for three reasons:

- Music plays an essential role in bringing community together, and offering comfort and healing. We are excited about using digital platforms to sustain and extend Canadians' opportunities to engage with music, and want to compensate musicians fairly for their work in this period of great uncertainty.
- When larger community gatherings and travel become safe again, orchestras must be well-positioned to bring our communities back together. If orchestras file for bankruptcy or lay-off core staff and musicians for prolonged periods, they will face challenges in executing the marketing, programming, and fundraising plans that will make a quick recovery possible. Earned revenue (principally through ticket sales) made up **35.8%** of Canadian orchestras' income in 2018-19; it's vital that orchestras are well-positioned to re-engage that revenue stream when public performances are again possible.
- Contributed income through donations, sponsorships, and special events made up **40.2%** of orchestras' revenue in 2018-19. Maintaining relationships with community partners, donors, sponsors, and funders through this time of disruption is key to a quick recovery.

3. Help Canadians support musicians and orchestras by making early 2020 donations eligible for use in 2019 tax credits

Allowing 2020 donations (up to a certain date) to be credited to the 2019 tax year will help musicians, orchestras, and Canadians. Since charitable tax credits are offered by the Federal Government and Provinces, we see this as a relatively easy opportunity to coordinate assistance with Provinces.

- It helps orchestras keep operating and paying people. In our financial modelling to date, donated revenue is the source of the single greatest uncertainty. Orchestras are charities; for many of us, contributed funds are our largest single source of revenue.
- It helps reduce revenue losses from cancelled concerts and events by making it easier for our audiences to feel like they can support us by donating back the value of cancelled tickets.
- It helps individuals at this crucial point by increasing their tax refund or reducing their tax payable.
- It helps raise donations for artist support funds, such as the Actors' Fund of Canada, Fondation des Artistes, and Unison Benevolent Fund.

Longer-Term Recovery Measures

We encourage the Federal government to start thinking now about the time *after* COVID-19, once social distancing can be eased or is no longer required to manage the health impacts of this crisis. The arts and culture sector has a major role to play in community resilience and celebration; forethought now will help ensure a stronger, more complete recovery later.

Such measures could include:

Recovery and Resilience

Help people regain confidence with participating in large community activities again through:

- **Direct investments in marketing and promotion** initiatives to rebuild audiences and revitalize relationships with our communities and with cultural tourists.
- **Direct investments in artistic programming** designed to engage with community, restore social cohesion, and connect people through the arts.

Long-term financial measures:

- A time-limited matching funding initiative, that enables arts organizations that are registered charities to get matching funds from the government for gifts to operating costs. In some cases, the matching funds could be directed to endowments to ensure short-term and long-term sustainability at the same time.

We are happy to contribute our ideas, and hope that we can work with you over the coming months to ensure strong plans are in place to deal with the long-term economic effects of this crisis. We are orchestras, and bringing people together is what we do. We look forward to continuing this work, for and with Canadians, in the near future.

We wish you well in your deliberations. Thank you.

Sincerely,



Tanya Derksen
President of the Board of Directors
Orchestras Canada



Katherine Carleton, CM
Executive Director
Orchestras Canada