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Pre-budget Consultations 2021
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Executive Summary

Orchestras Canada is grateful for the opportunity to contribute the perspectives of our 130 member orchestras to the Government of Canada 2021 pre-budget consultations.

The pandemic has profoundly affected all Canadians. Our orchestras are no exception. Since mid-March 2020, Canada's orchestras have balanced care for the well-being of their artists, workers, and audiences with financial prudence and innovation. They have worked tirelessly to chart their own course through the pandemic and maximize the likelihood of a safe and confident return. Some orchestras have temporarily gone silent; many others have quickly pivoted to new platforms to keep the music playing.

The economic dislocation has been significant: earned and contributed income (which made up 76% of Canadian orchestras' revenues in 18/19) has dropped significantly in the last eleven months.

In this brief, we recommend policy and investment options that will ensure that Canada's arts and culture sector can re-open confidently, when the time is right. Our aim is to get back to work: to maintain access to the artists and arts workers who power our work, to breathe life into the communities we live in, and to build on the successful digital experimentation and new collaborations - domestic and international - that we've undertaken during the pandemic.

The measures that we propose in this brief will allow Canadian orchestras to:

1. **Create and retain jobs** and key talent in arts and culture in towns and cities across the country, so that we are ready for a swift re-launch of the live performing arts sector when conditions permit;
2. **Begin to repair the damage done** by the pandemic to the arts by enabling arts and culture groups of all sizes – from the most grassroots collectives to major flagship institutions – to **respond to their communities' cultural needs** in new and compelling ways;
3. **Jumpstart economic recovery** of the arts sector by matching charitable donations, to encourage individuals, philanthropic foundations, and businesses to play their part, and design the program to ensure equitable opportunities to benefit;

4. **Build back better** by enhancing cultural spaces where Canadians gather for transformative arts and culture experiences to ensure they are supported, modernized, and made safer, more accessible, and more environmentally sustainable.

Preamble

On behalf of our member orchestras from across Canada, the musicians and cultural workers they work with, the audiences they engage, and the diverse communities they serve, Orchestras Canada/Orchestres Canada (OC) is pleased to participate in the Government of Canada's 2021-2022 pre-budget consultations.

About OC

We represent the perspectives of 130 Canadian orchestras across every province, and have been in constant dialogue with all our members since the pandemic was first declared in mid-March. Canadian orchestras are grateful for the many measures introduced by the Government of Canada to help Canadians, Canadian businesses, and Canadian organizations to stabilize their operations and maintain jobs through a critical period.

Orchestras and the Canadian public

While Canadian orchestras explore a range of alternate live and digital formats, they are eager to return to live performance as soon as possible. Despite the challenges that the pandemic presents, Canada's orchestras continue to serve as strong contributors to quality of life in Canadian towns and cities, valued participants in the celebration and affirmation of community identity, active partners in community cultural and educational development, and strong representatives of Canadian cultural expression at home and internationally.

A just and green recovery

Government investment in orchestras is important, but we are equally interested in policies that favour a recovery that is both just and green. This means taking an approach that will result in a more equitable and sustainable Canada on the other side of this pandemic. The measures that we recommend this year will help ensure orchestras' recovery and relaunch after this unprecedented period in history, while simultaneously building cultural and economic resilience in the broader community.

Create and retain jobs by extending income supports

To retain jobs and key talent in arts and culture, we recommend that the Government of Canada:

- **Expand the Canada Emergency Wage Subsidy** to allow engagers to include compensation to independent contractors covered by a collective bargaining agreement in their CEWS calculations and address the current exclusion of many performing artists from the subsidy;
- **Study the viability of a Universal Basic Income program**, as an efficient and sensitive means of ensuring that all Canadians can lead lives of dignity and contribution in both good and challenging times.

Rationale

Across our sector, we have seen a range of responses to the crisis:

- All of our larger professional orchestras have opted to retain their artists on contract, whether as employees or independent contractors, whether the organization was eligible for the CEWS or not. This has allowed them to retain the loyalty, participation, and access to the specialized skills of these artists, so that they can participate in community recovery as soon as conditions permit. These groups know they need to retain key staff to devise, promote, and help deliver interim programming and stay in touch with existing and potential audiences and supporters.
- Smaller-budget orchestras have adopted a range of approaches, simultaneously trying to manage expenses while sustaining connections to their contracted professional artists, community volunteers, and the audiences and broader public that each organization serves through performances and education programs. Without access to either emergency funding from the Canada Council for the Arts or (in many cases) their provinces, and with plummeting earned and contributed revenue, these groups have faced difficulties sustaining and re-imagining key activities.

Thanks to the CEWS, Canadian orchestras who hire their musicians *as employees* have benefited from an increase of more than 400% in project and special funding. However, those who have engaged their musicians *as independent contractors* through their collective bargaining agreements are ineligible for this support towards their musicians' wages. This unfortunate technicality will result in very different re-opening scenarios for our orchestras: some will be in a much stronger position than others to re-open as soon as it is viable.

Outcome

Extending income supports will ensure that we are ready for a swift re-launch of the live performing arts sector as soon as conditions permit.

Repair the pandemic's damage to the arts through targeted funding

To enable arts and culture groups of all sizes – from the most grassroots collectives to our major flagship institutions – to respond to their communities' cultural needs in new and compelling ways, we recommend that the Government of Canada:

- **Provide \$75 million in additional interim funding to arts organizations** to ensure that they can deliver artistic and educational programming to their communities in creative ways:
 - a) **\$47 million in interim funding** through the Canada Council for the Arts. This could be allocated to recipients on the basis of lost revenues due to COVID-19 restrictions;
 - b) **\$28 million in targeted interim support to equity-seeking and community groups and individuals** (Indigenous, Black, racialized, Deaf and disabled as well as community-based artists and arts organizations) through the Canada Council and Department of Canadian Heritage.

Rationale

Canada's professional orchestras were grateful for the emergency funds committed in Spring 2020 and the Fall 2020 Economic Update. They used the first tranche of emergency funding to keep artists working and communities engaged, and are awaiting clarification on the direction of the \$181.5 million announced in the fall economic update. While we are keen to return to the stage, we project that public health measures restricting capacity at live events are likely to be in place into the first quarter of 2022, with associated impact on earned revenue from ticket sales and touring. Accordingly, sustained investment is crucial.

Outcome

A continuation and an expansion of this investment in Budget 2021 will help professional orchestras and other arts groups address the continued uncertainty of a confirmed date for full return to live performance, and ensure that a broader range of artists and arts groups including Indigenous, Black, racialized, Deaf and disabled as well as community-based artists and arts organizations are able to access the necessary interim supports.

Jumpstart economic recovery through incentives for charitable giving

To incentivize philanthropy and encourage individuals, philanthropic foundations, and businesses to play their part, we recommend that the Government of Canada:

- **Implement a \$150 million donation-matching program over two years** for gifts to **operations** of Canadian registered charities by individuals, philanthropic foundations, or corporations. We strongly recommend that this program be designed to address the needs of arts groups of all sizes and stages of philanthropic success, to ensure that equity-seeking groups are able to benefit fully.
- Review existing tax measures available to both individual and corporate donors and make appropriate amendments to **encourage giving to, and supporting the recovery of, the charitable sector** as a whole.

Rationale

Investment in artists and arts organizations is the best way to ensure the vitality of the sector. Donations, sponsorships, and special fundraising events have become increasingly important to Canadian orchestras in recent years, providing an average of 40.2% of their revenues in 2018-19. With the economic turmoil and cessation of public events following the pandemic declaration, this revenue is increasingly uncertain: donors (whose generosity is typically inspired by their experiences at live concerts) are affected by market and economy conditions; sponsors typically contribute to concerts and events (that cannot take place in the usual way); and special event fundraising (from used book sales, Beat Beethoven races, and bingos to galas) is constrained.

Outcome

Our data shows that orchestras have been able to capitalize on opportunities to grow their philanthropic giving, with the right incentives in place. Orchestras' participation in the Department of Canadian Heritage's Endowment Incentives program, for instance, has been strong since the program's inception in 2001. The timely introduction of incentives for individual, foundation, and/or corporate giving to Canadian registered charities would be extremely helpful to the entire charitable sector.

Build back better through venue improvements

Access to safe, accessible, flexible, affordable cultural spaces designed, adapted, or retrofitted for a post-COVID world is fundamental to a safe return. We recommend the following:

- A new round of the **Community, Culture and Recreation stream of the Investing in Canada Infrastructure Program** to enable renovations, retrofits, and new cultural space builds. Eligible projects could include such post-COVID necessities as HVAC improvements, touch-free entryways and washrooms, entryway and exit redesign, backstage improvements, digital content capture hardware, and flexible seating.
- Emergency assistance to venues and cultural spaces to deal with the high short-term costs of **cleaning, PPE, and other health and safety requirements** at the same time they are facing revenue restrictions due to reduced capacity and shortfalls in rentals. This is particularly important for municipally-run and post-secondary venues that cannot access programs such as the Canada Emergency Wage Subsidy.

Rationale

Canada's cultural spaces need help to conform to new requirements. According to recent research in both the US and Canada¹, audiences are concerned about returning to live performing arts events before an effective vaccine is available. Many orchestras perform in heritage buildings and older venues that do not lend themselves well to COVID-19 requirements. As we build back better, arts organizations are in need of flexible, safe, environmentally-sound, and digitally sophisticated spaces in which to gather.

Outcome

We recommend collaboration with provinces and municipalities on a thoughtful and time-sensitive program of retrofitting and re-equipping venues, to maximize economic impact and lasting cultural benefits for Canadians.

Conclusion

Orchestras Canada thanks the Government of Canada for the opportunity to contribute to the 2021-2022 pre-budget consultations. We would be pleased to discuss our recommendations with you further.

¹ <https://www.colleendilen.com/2020/08/05/market-potential-what-attendance-can-cultural-entities-expect-in-2020-data/> and <https://www.audienceoutlookmonitor.com/ontario-arts-council>

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. We collaborate with other umbrella groups and arts service organizations, including the Canadian Arts Coalition, Imagine Canada, and the ad hoc Arts Service Organization COVID Coordination group.