



Submission to the Government of Canada
Pre-budget Consultation – October 2022

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About Orchestras Canada

Orchestras Canada/Orchestres Canada is the national association for Canadian orchestras. We represent 142 orchestras across the country, ranging from internationally recognized professional orchestras to volunteer-driven community and youth ensembles. Before and during the pandemic, our member orchestras have been valued contributors to quality of life in Canadian communities. They bring people together for shared experiences in person and on-line, they create jobs¹, they celebrate Canadian innovation, and they encourage and symbolize collective accomplishment. Orchestras are also part of Canada's arts and culture infrastructure, with direct economic impact of \$58.9 billion or 2.8% of GDP in 2017.²

List of recommendations

In this brief, we make the following urgent, short-term recommendations to the Government of Canada.

- Recommendation #1: Acknowledging that rebuilding performing arts audiences to pre-pandemic levels and beyond will be a multi-year process, **work with the Department of Canadian Heritage and agencies on the funding, rapid design and delivery of targeted 3-year supplementary investments in sector recovery.**
- Recommendation #2: Acknowledging that neither policy makers nor arts and culture leaders have access to current, high quality data on the lingering impact of the global pandemic on Canadian artists and arts and culture organizations, **commission and fund rolling benchmark research on the state of the sector.**
- Recommendation #3: Acknowledging that the Government of Canada has already committed to modernizing the Employment Insurance (EI) program, **ensure that the interests of self-employed artists and cultural workers are considered in the design of the new program.**

¹ Canada Council for the Arts, Understanding Canadian Arts Through CADAC Data: A Portrait of 47 Symphony Orchestras, p.6. Accessed via <https://canadacouncil.ca/research/research-library/2019/05/arts-facts-using-cadac-data-47-symphony-orchestras> In 2016-2017, the 47 orchestras funded by the Canada Council for the Arts had 692 full time equivalent employees and paid artists fees to 6640 Canadian artists.

² Statistics Canada, Estimates of the Direct Economic Impact of Culture in Canada in 2017. Accessed via <https://hillstrategies.com/2019/06/19/estimates-of-the-direct-economic-impact-of-culture-in-canada-in-2017>

A note of thanks

On behalf of Orchestras Canada's 142 member orchestras, thank you for the opportunity to submit this brief to the Standing Committee on Finance.

We are as well profoundly grateful for the Government of Canada's leadership and enhanced support since the beginning of the COVID-19 pandemic. Many arts organizations, including orchestras, were able to tap into one or more of the government's emergency support programs. At a time of unprecedented disruption to orchestras' artistic and community work - as well as their business models - timely federal investment helped arts groups stay afloat, sustain and grow connections with audiences, respond quickly to ever-evolving health and safety requirements, and keep artists and staff working. We thank you for your support.

Context

Pre-pandemic, Canadian orchestras generated revenues from a healthy range of sources: in 2018-19, they generated 37.1% of their revenues from tickets, fees, and tours; 32.4% from donations and sponsorships; and 30.1% from various levels of government.³ This was consistent with historic patterns. In 2020-21 - orchestras' first fully-pandemic-affected season - earned revenue from tickets, fees, and tours had plummeted to 5.8% of the total, while donations and sponsorships held firm at 31.3%; and government investment rose to 62.9%.⁴ These dramatic shifts were reflected in audiences for live concerts, reported as 2,842,933 people in 2018-19 and 53,118 people in 2020-21 - a 98.1% drop.⁵

These shifts were dramatic and unprecedented, and while Canadian orchestras were quick to pivot to online programming (attracting a remarkable 5,182,909 viewers in 2020-21)⁶, we have yet to evolve a viable business model for digital content. **Our core business is live music.**

As the numbers convey, orchestras' adherence to necessary health and safety measures (including lockdowns, social distancing on stage and in the audience, capacity limits in venues, and so on) made some of the most fundamental and meaningful work we do impossible, and severely bruised a long-standing financial model, too.

³ Orchestras Canada Comparative Report Summary <https://oc.ca/en/resource/comparative-report-2020-21/>

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

For the last 30 months, we have focused all our energies on short-term survival. Now that provincial health and safety measures have been lifted, we are close to recovery: but we – and our audiences - are not there yet. Audiences are cautious about COVID variants, and ticket sales have not yet rebounded to pre-pandemic levels. Inflation has had an impact as well, increasing our costs while limiting patrons’ discretionary spending on concert tickets and donations alike. **While most pandemic support programs have come to an end, the crisis in the performing arts – in Canada and around the world - is not yet over.**

In this brief, we provide a series of recommendations that will help Canadian orchestras and other performing arts groups recover from the lingering effects of the pandemic and chart a course to renewed viability and contribution.

- **Recommendation #1: Work with the Department of Canadian Heritage and its agencies on the funding, design and rapid roll-out of targeted 3-year supplementary investments in sector recovery.**

Orchestras Canada joins with sector partners such as the Canadian Live Music Association, CAPACOA and the Association for Opera in Canada to ask for urgently needed supplementary investments in performing arts sector recovery, whether through the Canada Council for the Arts, the Canada Music Fund, the Canada Arts Presentation Fund, or Building Communities Through Arts and Heritage.

We recommend a three-year commitment, because our stakeholders need time and money to adapt to changing consumer behaviours and to return economic growth and cultural vitality in the post-pandemic era. As the sector recovers, the investment can diminish: but we’re clearly not there yet. With targeted and nuanced supplementary support, orchestras and other performing arts groups will be able to re-connect with existing audiences, develop and deliver exciting new programs, and engage with new audiences, sustaining and enhancing opportunities for artists, local audiences and tourists.

Specifically, Canadian orchestras recommend an adaptation and adoption of a flexible and nuanced supplementary funding program piloted in Quebec during the pandemic – a program that continues to the present day. In October 2020, the government of Quebec launched the first iteration of the “Mesure particulière à la diffusion de spectacles” to help performing arts producers and presenters creatively address the economic and operating

challenges presented by the pandemic.⁷ In essence, the program compensates arts organizations for a portion of the value of their unsold tickets (relative to pre-pandemic sales figures), with the requirement that the funding is used to compensate professional artists, technicians, and cultural workers. The funding is formula-based, and the formula has evolved regularly to address the specific challenges of both lockdowns and re-opening periods. Although the program's focus has been on compensation to workers, our preliminary data indicates that it has had an impact on audience numbers, too: relative to their colleagues in other provinces, Quebec orchestras were reporting a higher attendance in the 2021-22 season, even though they experienced lockdowns and capacity restrictions to a similar degree.

Despite numerous calls for a similar program, and its explicit inclusion in the Liberal platform in 2021⁸, no comparable Federal program has been launched to date.

We call on the Federal government to deliver on this commitment in Budget 2023-24, to give our sector the time needed to rebuild audience confidence and return our sector to sustainability.

Recommendation #2: Commission and fund rolling benchmark research on the state of the sector.

The global pandemic triggered numerous changes in our sector. Orchestras' rehearsal and performance venues, programming, planning cycles, promotional strategies, community collaborations, staffing requirements, and ways of creating meaning in communities across Canada, have shifted.

At the same time, audience behaviour has changed; and we don't yet know if these changes are temporary or permanent. Starting in August 2022, we began to read authoritative reports about the impact of the pandemic on performing arts attendance from the U.K.⁹, Australia¹⁰, and the United States¹¹, and to hear anecdotal evidence from representatives of member orchestras across Canada as well. The picture painted by these reports and

⁷ <https://www.calq.gouv.qc.ca/actualites-et-publications/actualites/conseils-diffusion-spectacles>

⁸ <https://liberal.ca/wp-content/uploads/sites/292/2021/09/Platform-Forward-For-Everyone.pdf>, p 25

⁹ <https://www.theaudienceagency.org/evidence/sales/change-analysis>

¹⁰ <https://www.theguardian.com/culture/2022/sep/26/australian-stages-are-packed-with-great-shows-so-why-arent-people-booking-tickets>

¹¹ <https://www.nytimes.com/2022/08/21/arts/performing-arts-pandemic-attendance>

discussions is grim: while artists are thrilled to be back on stage, audience numbers are well below pre-pandemic levels, audiences are delaying ticket purchases until much later than usual, and no-shows are at unprecedented levels. It is urgently that we evolve current Canadian anecdote into actionable Canadian data.

Canada's performing arts eco-system presents unique research challenges and opportunities due to population, geographic, linguistic, and cultural factors: we lack the critical mass to interest private sector research partners, yet official government data collection and analysis exercises tend towards the retrospective.

For federal policy makers to be able to design investment and support programs that are fit for purpose, you need real-time sector data; similarly, the arts sector needs data and analysis to drive programming and planning decisions. This will require a new level of collaboration between the Government of Canada and the live performing arts sector, to fund and undertake this work.

- **Recommendation #3: Ensure that the interests of self-employed artists and cultural workers are considered in the design of a modernized Employment Insurance program.**

According to an analysis of 2016 Census data commissioned by the Canada Council for the Arts, "52% of artists are self-employed, compared with only 12% of all Canadian workers".¹² Furthermore, artists earn significantly less than other Canadian workers, with a "median individual income of...\$24,300, or 44% less than all Canadian workers (\$43,500)".¹³

When the pandemic started, many self-employed Canadian artists were effectively out of work. While all professional Canadian orchestras sustained their commitments to their regularly contracted musicians (with notable help from the Government of Canada, and the cooperation of the Canadian Federation of Musicians), many significant stakeholders in the music eco-system were out of luck.

¹² <https://canadacouncil.ca/research/research-library/2019/03/a-statistical-profile-of-artists-in-canada-in-2016>

¹³ Ibid.

We salute the visionary investment by the Government of Canada in the Canada Performing Arts Workers Resilience Fund¹⁴, specifically the investment in the Unison Fund for musicians and music workers – but there needs to be a longer-term, systemic solution to the challenges that artists and other self-employed individuals face. We believe this lies in a smart, sensitive modernization of the Employment Insurance program.

In a 2021 brief submitted during the Government of Canada’s review of the Employment Insurance program, Orchestras Canada expressed our support for the EI reform measures, and alerted readers to concerns specific to our field.¹⁵

A modernized EI program system should be designed in a way that allows artists (and all workers) to lead lives of dignity and contribution in their chosen communities and to ensure that artists (and all workers) have equitable access to the social safety net.

Conclusion

We appreciate your consideration of our recommendations, and would be pleased to speak to them further.

¹⁴ <https://www.canada.ca/en/canadian-heritage/services/funding/performing-arts-workers-resilience-fund.html>

¹⁵

https://drive.google.com/drive/folders/1eNXPFEggt2YjOX8xitWVXcuaCdN_mXkk?usp=sharing