



## **Calgary Philharmonic Orchestra**

### **Written Submission to the House of Commons Standing Committee on Finance**

#### **PRE-BUDGET CONSULTATIONS 2016**

**August 5, 2016**

#### **Executive Summary**

One of the largest orchestras in Canada, the Calgary Philharmonic Orchestra (CPO) employs 66 full-time musicians presents more than 80 ticketed concerts a year and 20 student concerts a year with an annual budget of approximately \$12 million dollars. The CPO attracts highly skilled professionals to our community that become critical to the success of many other community endeavors as core teachers at the post-secondary educational institutions as well as many smaller music schools and serve as a valuable resource to the school systems.

The Calgary Philharmonic Orchestra continues to operate as a debt free organization, however, the ongoing recession and loss of funding from the traditionally generous corporate and private sectors has seriously impacted the CPO with no end in sight. The Calgary Philharmonic receives an average of about 16% of its operating budget through grants from the 3 levels of government – far less than most other orchestras in Canada. The revenue difference has traditionally been made up through fundraising, however with the ongoing recession in Alberta that is no longer a realistic option.

Increased and equitable support from the Federal Government through The Department of Heritage and Canada Council will help the CPO expand and further leverage their activities that contribute to the national economy in the immediate term.

Improving tax incentives to encourage Canadians to increase donations and enhancing matching funding program to help build endowments will level greater public support and both immediate and longer term financial health for the Calgary Philharmonic Orchestra and all arts organizations nationally.

#### **Recommendations:**

1. Ensure delivery of the promised Canada Council funding commitment.
2. Use a portion of the enhanced funding to address historical inequities in Federal funding levels.
3. Provide tax incentives to encourage Canadians to increase donations.
4. Introduce an enhanced matching funding program to help build endowments.



## Introduction

A cornerstone of Calgary's artistic community since 1955, The Calgary Philharmonic Orchestra performs to over 100,000 enthusiastic patrons each Season and is the resident orchestra for the Calgary Opera, the Honen's International Piano Competition and the Alberta Ballet. One of the largest orchestras in Canada, the CPO employs 66 full-time musicians presents more than 80 ticketed concerts a year and 20 student concerts a year with an annual budget of approximately \$12 million dollars.

The CPO musicians also serve as a critical resource for the community. Orchestra members function as core teachers at the post-secondary educational institutions as well as many smaller music schools and serve as a valuable resource to the school systems. The CPO attracts highly skilled professionals to our community that become critical to the success of many other community endeavors.

The 'Calgary Philharmonic Orchestra Everywhere' Outreach and Education programs serve an additional 20,000 community members and students from kindergarten to post-secondary. In January of 2016 PhilharmoniKids was launched – a program offering after school music programming to children of schools with high social support needs.

The Calgary Philharmonic Orchestra continues to operate as a debt free organization. Typically it has avoided operating deficits and maintained reasonable cash reserves. However, in the past two seasons the CPO has had to respond to the sudden and precipitous decline in oil prices that underpin much of the provincial economy. The ongoing recession and loss of funding from the traditionally generous corporate and private sectors has seriously impacted the CPO with no end in sight. The Calgary Philharmonic receives an average of about 16% of its operating budget through grants from the 3 levels of government – far less than most other orchestras in Canada. The revenue difference has traditionally been made up through fundraising, however with the ongoing recession in Alberta that is no longer a realistic option.

Equalization of government support for orchestras throughout the country is critical if the Calgary Philharmonic Orchestra is to continue serving the broader needs of its community and be an important facet of our city's quality of life.

## Response to the Specific Questions posed by Finance Committee

***What federal measures would help Canadians generally – and such specific groups as the unemployed, Indigenous peoples, those with a disability and seniors – maximize, in the manner of their choosing, their contributions to the country's economic growth?***

The Calgary Philharmonic Orchestra is the largest arts employer in Alberta. In addition to the direct positive benefits this provides to the community and the economy there are numerous indirect benefits such as the provision of a highly skilled core of artists to be shared with organizations that cannot by themselves attract this specialized labor force. Maintaining the commitment to increase Canada Council



funding and ensuring that it is equitably distributed throughout the country will allow the CPO to maintain its financial stability and grow the national economy.

***What federal actions would assist Canada's businesses – in all regions and sectors – meet their expansion, innovation and prosperity goals, and thereby contribute to economic growth in the country?***

Increased and equitable support from the Federal Government through The Department of Heritage and Canada Council will help the CPO expand and further leverage their activities that contribute to the national economy in the immediate term. Improved tax incentives to encourage Canadians to increase donations and enhancing the matching fund program to help build endowments will ensure a stable future for the CPO and many other arts organizations across the country longer term.

***What federal measures would ensure that urban, rural and remote communities throughout Canada enable residents to make their desired contribution to the country's economic growth and businesses to expand, prosper and serve domestic and international customers in order to contribute to growth?***

Improving tax incentives to encourage Canadians to increase donations and enhancing matching funding program to help build endowments will level greater public support and both immediate and longer term financial health for the Calgary Philharmonic Orchestra and all arts organizations nationally. A tax incentive to donate and the potential to leverage donations through matching funds are likely the most potent financial tools available to the Federal government to stabilize the not-for-profit arts sector and grow its long term economic impact in Canada.

#### **Recommendations:**

1. Ensure delivery of the promised Canada Council funding commitment.
2. Use a portion of the enhanced funding to address historical inequities in Federal funding levels.
3. Provide tax incentives to encourage Canadians to increase donations.
4. Introduce an enhanced matching funding program to help build endowments.

