

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Opera.ca

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Fiscal restraint is the current global economic response to the defining characteristic of our times, growing complexity and increased global connectedness. The notion of `recovery` suggests that there can be a return to a kind of stasis or normality. In nature, nothing stands still, ever moving through a continuous loop of chaos, organization, growth, maturity, destruction, and so on. In an ecological sense, this loop is called an adaptive cycle, navigating it requires adaptive capacity, mastering it is to be resilient. `Resilient systems have the capability to absorb shock without catastrophic failure. They are able to adapt and adjust to unforeseen events, to absorb change and to learn from adversity` (see footnote) The opera world understands resilience, and the need to constantly innovate. This is partly why it has endured for centuries. Largely a European artform with a traditional canon of operas over one hundred years old, opera in Canada has adapted to include a repertoire of over 100 uniquely Canadian operatic creations. Today, the opera sector shares the wider concerns of the performing arts sector such as increasing audiences, building deeper community connections, and engaging with Canadians. Like any sector, the business of the arts needs to innovate and adapt. Working with the Government of Canada, Opera.ca sees enormous potential for the development of a cultural program to help arts organizations incubate and test innovative strategies that address current challenges. There exists several programs to model this after, including US-based EmcArts` Innovation Lab for the Performing Arts, (www.emcart.org), or the £ 7 million UK-based initiative Digital R & D fund for Arts and Culture. (www.artsdigitalrnd.org) Recommendation: That the Government of Canada, in collaboration with the arts sector, explore the development of a program to provide risk-capital for testing innovation strategies. Such a program should include and encourage platforms for knowledge exchange and results-sharing. (footnote-C.S. (Buzz) Holling, Panarchy Theory)

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

The economic impact of the cultural sector has been well-documented. In 2008, the Conference Board of Canada released a report demonstrating that the total cultural sector generates \$46 billion in direct economic activity. Our sector employs over 650,000 Canadians representing almost 4% of national employment. Arts jobs are jobs. Because of the relatively small markets across the country, many arts organization also rely on touring, both domestic and international to guarantee contracts for company artists. The Canada Council for the Arts also recognized the importance of international touring and has recently allocated resources to increasing funding to support international touring. Many of Canada`s finest cultural exports are opera artists and opera companies. Most recently for example, Canada`s Opera Atelier`s production of Armide was invited to perform at the Royal Opera House of Versailles in France in May 2012 and again in Cooperstown New York as part of the Glimmerglass Festival in July

2012, attracting media attention as well as corporate support. Investments in cultural diplomacy can be an important aspect of our trade advantage. International trade agreements that include culture align trade development with Canadian values, creating a competitive edge. Recommendation: Invest in international market development by incorporating culture into the development of new trading relationships and trade agreements.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

In Question 1, we stated that the pressure to innovate is not subsiding, but growing. And yet, innovation is elusive for many. In his ground-breaking book, *The Ingenuity Gap*, Canadian Thomas Homer-Dixon argues that a dangerous gulf is opening between our need for practical, innovative ideas to solve our increasingly difficult problems and our actual supply of those ideas. Although there are limits to human cognitive abilities to grasp rising complexity, some of the supply problem may stem from a shortage of one critical skill required for the 21st century: innovative thinking. Most of today's leaders, those schooled in the 20th century, rely on analytical thinking, a modality that includes cause and effect, and deductive and predictive reasoning. To succeed and innovate, tomorrow's and today's leaders, need both analytical and innovative intelligence. Programs like the Next36, (www.thenext36.ca) address generational differences and skills shortages by connecting young digital entrepreneurs with mentorship from top business leaders while also giving them the academic foundation, practical skills, role models and networks to become Canada's next generation of entrepreneurial leaders and nation builders. Top business leaders also benefit from the exchange in that it puts them in contact with emerging technologies and practices they may not otherwise be exposed to. Recommendation: Explore the development of cultural program (sector-based) that develop next generation leadership, with a focus on work placements, internships, in-residence, incubator programs, starts ups and entrepreneurialism. Such programs should include inter-generational mentorships and learning opportunities.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Opera.ca applauds the Government of Canada for its recognition of culture's economic importance and contributions to economic growth by investing in programs that increase the quality of life of communities and Canadians. Specifically, in 2012 the Government of Canada made key investments as part of a coherent strategy that recognizes the fulsome nature of the arts eco-system. Contributions to the Canada Council for the Arts provides stable operating funding for arts organizations ensuring a predictable base of support in an unpredictable world. Canadian Heritage's Canada Arts Investment Fund provide support for the Canada Arts Training Fund, which develops and prepares, the next generation of Canadian artists for a career in the arts. Canadian artists remain one of our country's finest and most coveted cultural exports,. Canadian-trained opera singers and opera artists such as Russell Braun, Isabel Bayrakdarian, Measha Brueggergosman, and Robert Lepage are in demand on stages across the world. The Canadian Heritage matching program, Endowment Incentives, is an important program for larger arts organizations like opera companies in building their capital structure for the future. Recommendation: Maintain key investments in arts and culture through the Canada Council for the Arts, and Department of Canadian Heritage including Endowment Incentives and Canada Arts Training Fund.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

It is well documented that charitable arts organizations play a key role in Canadian communities, through the services they deliver, the contribution they make to our quality of life and to our economic prosperity. The business model for opera is remarkable. Of all revenues, 47% is earned, 30% private donations, and 23% public funding. Within a climate of austerity, it is unlikely public funding can continue to match growth in the sector. While keeping ticket prices accessible, other measures are needed to close the revenue gap. Recommendation: Increase from 29% to 39% the federal tax credit for new and increased charitable donations.