

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

## Orchestras Canada Orchestres Canada

### 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?*

On behalf of Canadian orchestras, Orchestras Canada/Orchestres Canada (OC) is grateful to the Standing Committee on Finance for the opportunity to provide our perspective on Budget 2013. OC is a national membership association for Canadian orchestras. We have member groups in every Canadian province, including youth and training orchestras, volunteer and semi-professional ensembles, and such international-calibre groups as the Orchestre symphonique de Montréal, the National Arts Centre Orchestra, Toronto Symphony Orchestra, Tafelmusik Baroque Orchestra and the Vancouver Symphony Orchestra. In fiscal year 2010, the sixty-seven orchestras that took part in our annual data collection exercise (including all of Canada's professional orchestras) reported audiences in excess of 2.5 million at over 3100 performances. Their spending topped \$167.7 million (with direct economic spin-off conservatively estimated at 2.5 times that number), and ninety-two percent of their spending, on average, remained in their home communities. Fittingly, their revenues demonstrated a high level of community support, with 36% coming from ticket sales, 38% from donations and sponsorships, and a total of 26% from all three levels of government. Federal investment in orchestras through the Canada Council for the Arts made up 7.3% of orchestras' revenue. Our message is this: the Government of Canada plays a valued role in the economic and community viability of Canadian orchestras, exerting significant influence on orchestras' ability to serve their communities superlatively, whether by facilitating the development of new markets and venues for arts and cultural product, providing incentives for donations and sponsorships through tax credits and matching contributions, or direct subsidy. We ask that you sustain and strengthen the highly effective and responsive arts investment and policy infrastructure currently in place. We value our longstanding partnership with the Government of Canada, and we particularly salute the decision in Budget 2012 to sustain funding to the arts through the Canada Council for the Arts and key programs at the Department of Canadian Heritage.

#### 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 arts and culture sector in Canada is a significant employer, with an estimated 616,000 workers in 2003, including 140,000 artists. The sector comprises 3.9% of the overall labour force. This is double the level of employment in the forestry sector in Canada (300,000) and more than double the level of employment in Canadian banks (257,000). Twenty-six percent of Canada's artists are based in communities with populations under 50,000; another twenty-five percent are based in either Toronto or Montreal. Canadian orchestras are a vital part of this sector. In fiscal year 2010, our 67 benchmark orchestras directly employed 1235 professional musicians and 400 skilled administrative personnel in full-time equivalent positions. Orchestra jobs are made possible by three revenue sources: earned revenue from ticket sales and performance fees; contributed income from charitable giving, special

event fundraising, and corporate sponsorship; and grants and contributions from three levels of government. New jobs can only be created if there is revenue to sustain them, and orchestras are eager and willing to diversify and strengthen all of their revenue streams. Thus we underline the importance of the Government of Canada's role in:

- Playing a role in the daily work of Canada's most outstanding artists and arts organizations by maintaining and, over time, increasing core funding for that work through the Canada Council for the Arts.
- Assisting domestic market development by continuing to invest in built infrastructure through the Canada Cultural Spaces Program, and the arts presenting infrastructure through the Canada Arts Presentation Fund (both programs of the Department of Canadian Heritage);
- Facilitating international market development through sustained and, over time, enhanced investment through the Canada Council for the Arts;
- Embedding arts and culture in Canada's Global Commerce Strategy, using our artists and cultural products to forward productive relationships with current and potential trade partners;
- Implementing enhanced incentives for charitable giving, including the "stretch" tax credit proposed by Imagine Canada;
- Encouraging gifts to endowment funds through the Endowment Incentives program (a program of the Department of Canadian Heritage).

### **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?*

Canadian orchestras recognize the challenges that our nation's demographic represent. We see it in our highly skilled, yet aging, workforce, we see it in our audiences, and we see it in the communities around us. We request two things of the Government of Canada in working with us to address these challenges:

- Continued investment in skills development and skills exchange of professional musicians and arts managers through the Canada Arts Training Fund; and
- Investment in research, to ensure that orchestras can access reliable data about demographic, social, economic and other changes in our communities, and better respond to these changes.

### **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?*

It takes the same number of violinists to perform Beethoven's Symphony No. 7 today as it did at the work's first performance in 1811. And their collective sound is an integral component of the experience of hearing a symphony orchestra. Our proposals for improving the productivity of orchestras, then, will focus on more effective dissemination of their work, not more efficient work processes. Given Canada's unique geographic and demographic features, we have identified three factors that will help get the work of Canadian orchestras to more people:

- Domestic and international market development;
- Digital technology;
- Built infrastructure.

We recommend that the Government of Canada

- Facilitate domestic market development and market access, by continuing to invest in o artistic producers through the Canada Council for the Arts; o arts presenting infrastructure through the Canada Arts Presentation Fund (a program of the Department of Canadian Heritage);
- Facilitate international market development and market access for Canadian artists and arts organizations—and recognize the leading federal role that the Canada Council now plays in this area—by sustaining and, over time, increasing Canada Council's parliamentary appropriation;
- Champion the development of a multi-disciplinary national digital strategy for arts and culture, a strategy that would include measures to address technology training and knowledge transfer for artists, and broader capacity building within, and knowledge exchange across, the sector.

Canadian orchestras recognize that "taking a proactive

approach to technological change in order to take full advantage of its benefits” is imperative. We ask that the Government of Canada work with us to enable orchestras to respond adequately to an ever-evolving digital landscape, enhancing their ability to generate revenue and reach new audiences; • Acknowledge culture’s power to forward productive relationships with current and potential trade partners, by embedding arts and culture in Canada’s Global Commerce Strategy; • Ensure that Canadians have the opportunity to hear Canadian orchestras in accessible, safe, and attractive venues, by continuing to invest in built infrastructure, through Canada Cultural Spaces (a program of the Department of Canadian Heritage), and any shared federal-provincial infrastructure programs that may be contemplated in future.

## **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?*

As a national membership association, OC has the honour and the challenge of representing orchestras in communities large and small in every Canadian province. Even (or perhaps, especially) from this rather specialized perspective, it’s clear that some communities are thriving while others face profound challenges. The hollowing-out of Ontario’s manufacturing base has taken its toll on Windsor and Hamilton, for instance; the decline in forestry has created challenges for Prince George and Thunder Bay. These communities, and many others, are in transition—and at the same time as they experience profound and sometimes disorienting change, so do their artists and arts organizations. The themes contained in our brief to the Standing Committee are resonant for these communities, too. We all look to the Government of Canada to help us change and evolve, by: • Maintaining investment in key sectors, through proven and emerging investment and tax credit programs; • Providing incentives to employers that want to “invest in the future” by hiring next-generation workers, ensuring knowledge transfer between retiring and incoming workers, building efficient, state-of-the-art facilities, and encouraging on-going training in and development of cutting-edge technologies; • Facilitating the development of new markets for Canadian products, in Canada and around the world; On behalf of our member orchestras, we sincerely wish the Standing Committee well with its deliberations.