House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Orchestras Canada/Orchestres Canada

or

( ) **an individual** **Name:** _____

Topic: Arts and culture

*Recommendation 1: Please provide a short summary of your recommendation.

Orchestras Canada recommends that the Government of Canada increase the parliamentary appropriation to the Canada Council for the Arts by $18 million in budget 2014-15. This will take the Council's budget from $181 million to $199 million, and will enable the Council to deliver on its 2011-16 strategic plan, focusing on public arts engagement, digital creation and dissemination of Canadian arts and culture, and the sustainability and adaptability of Canadian arts and culture infrastructure. The Canada Council is a respected, effective, and efficient agency.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$10 million-$99.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Research in the US and the UK consistently demonstrates that public arts investment results in more artistic activity, more jobs in arts and related sectors, and more tax revenue for the governments making the investments. We suggest that an $18 million funding increase will have a similar impact in Canada, more than paying for itself through increased tax revenues, and would be pleased to share the supporting research with the Standing Committee.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The intended beneficiaries will include artists and arts organizations, who will benefit from higher success rates in competitive Canada Council programs, and higher levels of investment from Council. In 2011-12, Council awarded grants to 2000 artists and 2200 arts organizations in 1900 Canadian communities large and small. With enhanced funding, Council will be able to engage more emerging, culturally diverse, and regionally-based artists, while continuing to invest in anchor organizations like symphony orchestras.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

More investment in the arts through the Canada Council will create more arts and related jobs in Canadian communities, more economic activity in spin-off businesses, improved opportunities for community gathering, enjoyment, and learning, and a higher standard of living for more Canadians.

Topic: Arts and culture

Recommendation 2: Please provide a short summary of your recommendation.

Orchestras Canada recommends that the Government of Canada renew, in a timely manner, the funding base for the suite of arts and culture programs at the Department of Canadian Heritage due to expire in March 2015. Timely renewal of this funding would greatly facilitate smooth transition to these programs' successors, and would benefit Canadian orchestras and the communities they serve.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

As we are not requesting an increase to the funding envelope, there would be no additional cost to government.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The Department of Canadian Heritage programs help arts and culture organizations diversify their revenues, seek new audiences, and ensure accessibility to Canadians generally. Through such programs as Endowment Incentives, Arts Training, and Cultural Spaces, Canadian orchestras right across the country have enhanced partnerships with the private sector, found new audiences, managed artistic succession, and ensured that their venues are accessible and attractive.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The current suite of programs has heightened community engagement in the arts, and increased community pride in arts organizations. They have dovetailed (without overlapping) Canada Council programs, and have helped arts organizations increase programming, the staffing necessary to support it, and the earned and contributed revenue necessary to keep direct and spin-off jobs in the community long-term.

Topic: Charities, charitable giving and volunteerism

Recommendation 3: Please provide a short summary of your recommendation.

Orchestras Canada recommends that the Government of Canada commit to an implementation schedule for the Stretch Tax Credit proposed by Imagine Canada. The Stretch Tax Credit, if implemented, would enable individual donors to get increased tax credits for increased giving, year over year. We believe that it will provide an efficient incentive for existing donors to give more, and for first-time donors to make an initial gift.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

1 year

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

We recognize the complex environment within which Federal budget decisions are made, and we also recognize the Government of Canada's commitment to deficit elimination by 2015. Accordingly, we are asking the Government to commit to an implementation time-line, and not for an immediate announcement about a new tax credit structure.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

All 86,000 Canadian charities--large and small--will be able to benefit from a stretch tax credit, as it will not require sophisticated infrastructure on their part, and will enable donors at all levels to take part. We anticipate that it will be equally effective in all parts of the country, Certainly we see that the stretch tax credit will benefit a significant number of Canadian orchestras, from our smallest to our largest members.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The individuals, causes, and groups that are helped by charities will be the major beneficiaries of the Stretch Tax Credit, as charities will be able to raise funds more efficiently and will thus be able to target more of their energy and resources to mission delivery. Donors will benefit from enhanced tax credits as well.

Please use this page if you wish to provide more explanation about your recommendation(s).

Canadian orchestras are central to the cultural infrastructure and economy of Canadian communities. Orchestras Canada has member orchestras in every Canadian province, with annual expenditures in 2011-12 of over $175 million. Canadian orchestras are found in communities large and small. In 2011-12, they performed for over 2.5 million Canadians; yet they provide much more than concerts.

• Orchestras create jobs, directly and indirectly. According to Orchestras Canada data, some 70% of a typical Canadian orchestra's expenditures go directly to people engaged by the orchestra: musicians, guest artists, full and part-time administrators and technical staff;
• Orchestras are often the artistic anchor of their communities, creating and enriching opportunities for civic celebration, from Remembrance Day ceremonies to sporting events;
• Orchestras and their musicians are key to the musical education of Canadians. Most musicians are also teachers, as independent entrepreneurs, through community music schools, or within the education system;
• Orchestras are valued artistic partners, working with choirs, opera companies, ballet groups, and popular performers.

Increased investment in orchestras, through increased support to the Canada Council, is necessary to ensure the continued vitality of these important civic institutions. Efficient and entrepreneurial in their operations, orchestras are structured as charitable organizations with three streams of revenue – earned income (37.9%), contributed revenue (38%) and government investment (24.1%)
• Through diversified programming and careful pricing strategies, orchestras are maximizing their earned revenue while being sensitive to the need to ensure access for all Canadians
• Individual donors are loyal to orchestras, and even during the economic downturn, have heightened their giving – measures like the proposed Stretch Tax credit would be a further tool to support orchestras increase their own capacity and revenues
• Government investment (from municipal, provincial, and federal governments) is a relatively small proportion of orchestras' overall revenues, yet its stability can play a vital role in orchestras' capacity to plan, and to serve their communities: The proportion of government operating funding to overall revenues has declined in recent years, making it increasingly difficult for orchestras in Canada to sustain their operations and hence their contribution to the lives of Canadians.

Orchestras Canada joins our colleagues in the Canadian Arts Coalition to ask the Government of Canada to make a modest investment in the Canada Council for the Arts so that important cultural organizations may sustain their important contribution to communities. Similarly, the renewal of the Canadian Heritage programs and the Stretch Tax Credit will contribute to the health of the sector. We see this as good economic policy, and a way of growing our $47 million arts and culture industry.

*Please note that at least one recommendation must be provided