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the voice of opera in Canada / la voix de l'opéra au Canada

Engaging Canadian Communities

Opera.ca Brief to the Standing Committee on Finance

Toronto, Ontario
November 6, 2003

Introduction

Opera.ca welcomes the opportunity to address the Standing Committee on Finance as it develops recommendations on the direction of the 2004/05 federal budget.

Opera.ca is the voice of opera in Canada, representing opera and music theatre companies and affiliated organizations, businesses and individuals, including singers, across Canada. From coast to coast, in communities large and small, our members strengthen and enrich the fabric of the communities they live and work in.

Whether working with children to create an opera about stories that touch and affect them, or proudly representing Canada's artistic vitality abroad, as Opera Atelier will do in Korea later this month, the Canadian opera sector is a vibrant and contributing element in communities across this country.

Through the stories it tells and the tales it weaves – some universal, some specific to our own Canadian history – opera has the ability to engage audiences, and at times, transform lives. Opera, together with the broader arts community, brings intrinsic and often unmeasured value to Canadians.

We could talk about the \$50 million opera companies spend across Canada each year, but that's not really what we are about. Similarly we could address the numbers of people our members employ, or the revenue derived from renting Canadian productions both within and outside the country. Opera.ca could go on at length about the tourists that our companies draw ...impressive numbers; but numbers don't really tell the story.

That is not what opera and the arts are about.

Rather, the arts, including opera, matter because they embrace, express and define the soul of a nation. Drawing on the words of John Tusa, a British broadcaster and author, “a nation without arts would be a nation that had stopped talking to itself, stopped dreaming, and had lost interest in the past and lacked curiosity about the future.” How true.

The arts aren't just about nation-building though. They touch individual Canadians in every village, town and city in which they live. The Committee has captured this sentiment in the themes they are asking Canadians to explore and make recommendations on. Most pertinent to Opera.ca members are the themes on investing in individual Canadians and Canadian communities.

Strengthening our communities

Canadians are looking for a sense of renewed optimism and hope about the communities they live in and the lives they lead. Opera, and indeed the entire arts sector, have a major role to play. Our member companies and artists touch Canadians everyday in the cities, towns and villages in which they live and work. Be it through live performance¹, or the work around those experiences, or through the CBC – truly a national treasure and vital resource to the Canadian opera sector – opera touches millions of Canadians.

The arts ‘give a great city an image of its soul’ declares Toronto’s Culture Plan. Our noted colleague Richard Bradshaw is a driving force behind the new image that Toronto is creating for itself in the construction of the Four Seasons Performing Arts Centre. The new House has become a standard for a renewed optimism that is permeating many of our urban centers. *Globe and Mail* columnist David MacFarlane recently wrote, “if you were looking for something to

¹ Statistics Canada’s 1998 *General Social Survey* estimates that 3% of the Canadian population attends opera. The demographic break-down shows an encouragingly high participation rate of 2.8% for the 20-24 year-old category, dropping to 2.0% for the Gen X population, then growing back to 2.8% for 35-44 year-olds, reaching its highest level of 4.5% for those between 45 and 59.

symbolize that the storm clouds are parting for Toronto, you could do worse than to choose the new opera house”.

And it's not just Toronto. Look East or West and you will see countless examples of how opera is the spark igniting renewed levels of energy in our towns and communities. The hottest ticket around last winter was *Filumena*, a co-production of Calgary Opera and the Banff Centre for the Arts. “Nothing has so captured the imagination of the Calgary public as the opening night Saturday of John Estacio and John Murrell’s new opera, *Filumena*,” raved the Calgary Herald. This new Canadian work is now enroute to a production at the National Arts Centre in 2005.

Opéra de Québec invites children to explore and develop the universal themes of many opera stories through *Dessine-moi un opéra*. It engages the entire community and makes children part of the production team.

The issues

Opera.ca and its members share many of the issues several of the not-for-profit umbrella organizations have already highlighted to the Committee. We are here to reinforce those messages and demonstrate the broad support they enjoy. In so doing, we focus on our member companies direct ability and capacity to contribute to making the communities in which they live and work desirable places to be.

1. Financing the arts

Opera.ca was heartened and encouraged by the Government of Canada’s \$560 million *Tomorrow Starts Today* commitment to the cultural sector announced in 2001. Indeed, Opera.ca itself and its members have benefited from the Government of Canada’s increased investment in the arts. We applaud this initiative, as we did when it was announced to over 500 opera professionals from

around the world, gathered in Atlanta on the day the funding was unveiled by the Prime Minister in Toronto.

We are concerned that we have not heard more lately though. The *Tomorrow Starts Today* funding expires at the end of this fiscal year and there has been no signal from the federal government about its future.

This, at a time when Canadians have signaled their commitment to the opera companies and the art form. Private fundraising soared 37% to almost \$16.1 million in 2001, up from \$11.7 million in 1999. Combined with earned revenue – ticket and subscription sales primarily – some 74% of total opera revenue comes from individual Canadians and businesses.

Even with the recent infusion from the federal government and some provincial ones, public funding has not kept pace with the needs of the sector. Statistics Canada reports that total opera spending is just over \$50 million in 2001; of this amount, \$13.3 million comes from all levels – municipal, provincial and federal – of government. While this amount has grown, it has not kept pace with the needs of the companies or the communities they serve.

The staff and artists bear much of the brunt. Total wages and fees did not grow commensurately with either revenues or expenses in this period. The pattern of stretched and over-extended human resources was maintained, when one considers that total spending on wages and fees grew 8.6%, a significantly lower rate than overall expense growth of 11.9%. This, at a time when overall Canadian incomes were increasing.

Recommendation 1

Opera.ca recommends that the Government of Canada renew its commitment to the funding announced in 2001, and that this support be substantially augmented and incorporated into the base contribution to the

cultural spending envelope to ensure stable operating environments for opera companies (and their arts colleagues) across the country. Of particular concern is funding to the Canada Council for the Arts.

This recommendation is in line with the call of M. Jean Louis Roux, Chair of the Canada Council for the Arts, the Canadian Conference of the Arts, and the Canadian Centre for Philanthropy.²

2. Engaging Canadian communities

The success of our member companies is directly related to the support and engagement they enjoy in their communities. Some centers are strong advocates for their arts organizations, including opera companies. This is particularly evident in Quebec, with a long history of strong cultural support. In other centers though, the fate of the opera company is integrally linked to that of their communities, and it's not always rosy.

We are encouraged by recent initiatives to foster greater nation-wide debate about the role of municipalities in cultural support and planning. The Creative Cities network and other pivotal initiatives like the Creative Spaces and Places Conference recently convened in Toronto speak to the enhanced role of municipal planners and decision makers in cultural policy.

Recommendation 2

As the Government of Canada engages the other levels of government in dialogue about 'a new deal' for Canadian cities and towns, we recommend that the budget acknowledge the role of culture in the revitalization of our municipalities, and that any reallocation of resources earmark an adequate portion for arts and culture.

² Jean Louis Roux. "Report of the Chair", Canada Council for the Arts, Annual Report, 2002-03, p. 7; Canadian Conference of the Arts, "Feeding the Canadian Spirit, Pre-Budget Submission 2003," Recommendation 1; Canadian Centre for Philanthropy, recommendation 1. We endorse as well the spirit of the recommendations advanced by the Canadian Museums Association (CMA).

3. Streamlining funding mechanisms

Opera.ca acknowledges, with sincere appreciation, the initiatives of the Government of Canada and others to enhance funding, particularly in the area of capacity building and stabilization. Recognition of the inherent structural financial challenges faced by many of our members is welcome.

Our members also adhere and are committed to the highest level of accountability and transparency. We appreciate that we have been entrusted with public money, whether through government or through charitable donations, and the use of those funds must be clearly accounted for.

That being said, the current funding apparatus places onerous demands on our members, to the point that some can not avail themselves of the resources available due to the administrative and reporting requirements of both the application and reporting processes. We can point to examples.

In the drive for increased accountability – which Opera.ca fully embraces – the underlying objectives of the programs are becoming lost.

Recommendation 3

Opera.ca encourages the Government of Canada and its funding partners to streamline and consolidate funding programs so that the fundamental purposes of the programs may be recognized. In its recommendations, we urge the Committee to acknowledge the exceedingly lean administrative structures of opera companies, and by extension, most arts organizations, and to encourage more efficient, less consuming funding apparatus.³

³ This recommendation is consistent with ones made by both the Canadian Conference of the Arts and the Canadian Museums Association. This challenge was also highlighted in a major report: Katherine Scott, Canadian Council on Social Development, *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations*, 2003.

4. Investing in opera

Above, we noted the huge growth in private fundraising in the Canadian opera sector. It's clear that with 32% of total revenue coming from individual, corporate and foundation giving, opera is part of the growing strength of charitable giving. To build further on these sources, we believe that firm action and signals are required to stimulate even more private sector giving. While contributions are growing, we believe more needs to be done to both encourage larger gifts and the participation of more donors.

Opera.ca joins with others in the cultural community and broader charitable sector to endorse this Committee's recommendation, made last year, to strengthen the incentives contained in the Income Tax Act.

Recommendation 4

Opera.ca recommends that the Committee reiterate its recommendation that: "The federal government amend the Income Tax Act to eliminate the capital gains inclusion rate applied to donations of publicly traded securities to charitable organizations, including private foundations."⁴

Conclusion

Opera.ca welcomes the opportunity to make recommendations on the upcoming 2004 federal budget to the Standing Committee on Finance. We offer them in the spirit of an ongoing and constructive dialogue with parliamentarians and the Government of Canada.

In this submission, we have joined with others in calling for a series of constructive measures that would enhance the contribution of our members to

⁴ Like recommendation 2, this suggestion is consistent with the ideas of both the CMA and the Canadian Centre for Philanthropy.

their communities. These recommendations focus on the adequacy of funding to the Canadian arts sector, and the efficiency of the delivery of those resources.

Opera companies and all the affiliated organizations and individuals among our members make a vital contribution to the communities in which they operate. Like our colleagues throughout the arts sector, we endeavour to provide Canadian communities with artistic experiences that have the power and potential to transform individuals and the lives they lead. In so doing, there is a direct causal relationship with making Canadian communities desirable places to live.

Summary of recommendations

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