



7 July 2010

**Board of Directors/Conseil
d'administration, 2010-11**

Executive Committee/

Comité Exécutif

Ann Lewis-Luppino, Chair/Président
Calgary AB

Thérèse Boutin, Vice
Chair/Vice Présidente
Trois-Rivières QC

Cathryn Gregor,
Treasurer/Trésorière
Toronto ON

Jeffrey Berryman
Secretary/Sécristaire
Windsor, ON

Elected Members/

Membres élus

Erika Beatty
Halifax NS

Bryan Croft
Ottawa, ON
Sophie Galaise
Québec QC

David S.R. Leighton
London ON

Caroline Miller
Kelowna BC

Luce Moreau
Montréal QC

Ken MacLeod
Moncton NB

Vicki Young
Winnipeg MB

Ex Officio Members/

Membres Ex-Officio:

Jeff Alexander
Vancouver Symphony Orchestra

Mark Tetreault
American Federation of Musicians

Francine Schutzman
Organization of Canadian Symphony
Musicians

Staff/Personnel:

Katherine Carleton
Executive Director/Directrice générale

Jennifer Caines
Office Manager/Gestionnaire de bureau

Jean-François Pagé
Clerk,
Standing Committee on Finance
6-14 131 Queen Street
House of Commons
Ottawa, Ontario
K1A 0A6

RE: Bill C-470

Dear M. Pagé:

I write on behalf of the membership of Orchestras Canada, a national association for Canadian orchestras, to advise you of our members' perspectives on Bill C-470.

We represent 46 professional orchestras and 79 semi-professional, amateur, youth and training orchestras, serving communities large and small in every Canadian province. Their annual revenues range from well under \$50,000 (for the smallest, most grassroots groups) to almost \$25 million per year (for our major, international-calibre ensembles). All are registered charities, all derive a significant proportion of their revenues (ranging between 15% and 30% of total annual revenues) from charitable gifts, and all would be affected by the proposed legislation.

We are concerned about the implications of the bill as it is presently framed. We believe that the bill could have entirely unintended consequences for Canada's charitable sector, and that it presents particular challenges to certain of our member orchestras.

With respect to the proposed salary cap, we observe that – while occasional revelations of individual salaries may grab headlines - over-compensation is neither a systemic problem in the charitable sector overall, nor is it a recurring issue for Canadian orchestras. In fact, under compensation is far more common.

At the same time, capping salaries in charities at \$250,000 will present challenges to our largest charitable organizations, including hospitals, universities, some major health and social welfare charities, and certain major cultural institutions. These organizations are complex operations with budgets in the tens of millions, or even hundreds of millions. They need and deserve strong, sophisticated professional leadership; a salary cap will only drive leaders at the necessary level to work in other sectors - or jurisdictions - entirely.

In our own sector, the very best Canadian musicians are sought-after internationally. The elite group of Canadian musicians that can command fees at the level of the cap (or beyond) would likely take their talents elsewhere if a cap were imposed, representing a significant loss to all Canadians.

With respect to the proposed approach to the reporting of compensation, we want to emphasize that the orchestral community (in common with the rest of the charitable sector), supports transparency and accountability. However, we believe that the level of reporting already required in the Canada Revenue Agency's annual T-3010 charitable submission may already provide sufficient information to donors, funders and other interested parties, ensuring that they have an easily-accessed and effective tool to understand compensation policy at registered charities, to ask questions, and to form opinions on the governance of the charity in question. Identifying specific salaries with individual people serves only as fodder for gossip and internal dissension, distracting charities from their core missions.

We enthusiastically support legislative and other measures that will lead to an even stronger and more effective charitable sector in Canada – and we are happy to work with you and other leaders in our sector on initiatives that will help to achieve this end. In our view, however, Bill C-470 in its current form will not lead to us to this shared goal.

Many thanks for your consideration.

Sincerely,



Katherine Carleton
Executive Director