

November 15, 2018

The Special Senate Committee on the Charitable Sector  
The Senate of Canada  
Ottawa, Ontario  
K1A 0A4

Dear Senators,

CCVO (the Calgary Chamber of Voluntary Organizations) would like to thank the Special Senate Committee on the Charitable Sector for undertaking this comprehensive review, and for the opportunity to provide input on critical issues facing the nonprofit and charitable sector in Canada. CCVO is an advocate and champion of the nonprofit sector, providing leadership on cross-cutting nonprofit policy issues, convening nonprofit leaders, and giving voice to critical issues affecting the sector.

Nonprofit organizations are a vital part of a healthy, vibrant civil society. Nonprofit and charitable organizations provide key services and support for communities, touching on social, cultural and environmental issues and values. CCVO is hopeful that the attached recommendations may be used to further enhance the capacity of the nonprofit and charitable sector, to create even greater impact in Canadian communities.

Through this submission, CCVO is calling on the Special Senate Committee to consider the recommendations below in preparing the Committee's final report.

We welcome additional questions from the Committee. Please feel free to email me at [dmitchell@calgarycvo.org](mailto:dmitchell@calgarycvo.org).

Sincerely,



David Mitchell  
President & CEO

## RECOMMENDATION 1

**The Special Senate Committee recommend that the Federal Government resource Statistics Canada to collect, analyze, and disseminate reliable and relevant data on Canada's nonprofit and charitable sector on an ongoing basis.**

Canada's nonprofit and charitable sector is [estimated to employ](#) over two million Canadians, representing 10.5% of the labour force and contributing to 8.1% of Canada's GDP. Despite the crucial role the sector plays within the Canadian economy, there is a very limited availability of information about the nature and composition of the nonprofit and charitable sector and its workforce.

There have been several commendable initiatives undertaken to gather and disseminate information about the sector. In 2003, Statistics Canada completed the National Survey of Nonprofit and Voluntary Sector Organizations (NSNVO). This survey resulted in a comprehensive outlook on the size and composition of Canada's nonprofit and charitable sector, its financing, needs, challenges, and strengths. The NSNVO was a critical first step for establishing baseline data for comparative purposes. However, the survey was never re-administered, and the data is now severely outdated. Government-funded research through initiatives such as Statistics Canada's Satellite Account of Nonprofit Institutions in Canada, and organizations such as the HR Council for the Nonprofit Sector, both very encouraging in their efforts, have also been cancelled, with no replacements put in place for a similar purpose.

As Statistics Canada no longer generates or disseminates data about the charitable and nonprofit sector, there is a significant void of sector data. Having access to accurate sector data would lead to more informed decision-making, engagement in effective strategic planning, and the sustainability of sector programs and services. Given the importance of the nonprofit and charitable sector to the Canadian economy and to the social and cultural fabric of the nation, nonprofit organizations require ongoing access to data that is specific to the sector, and comparable to other sectors of the economy. Nonprofit sector data needs to be collected, analyzed and disseminated to the sector and Canadians more broadly, and become an established part of federal data collection systems. One-off programs that are introduced only to be discontinued are ineffective. Collecting data at a federal level will provide a national basis for comparability and consistency and will allow for effective decision-making and program development, and once again make Canada a world leader in generating information and data about the nonprofit sector.

*CCVO is in support of Statistics Canada collecting, analyzing, and disseminating reliable and relevant data on Canada's nonprofit and charitable sector on an ongoing basis. Similar recommendations have been put forward by other advocates, including [Imagine Canada](#) and [the Muttart Foundation](#).*

## RECOMMENDATION 2

**The Special Senate Committee recommend a formalized “home” within the Federal Government to support and sustain a vibrant nonprofit and charitable sector.**

The Canada Revenue Agency (CRA) serves as the regulator of registered Canadian charities through the administration of both the Income Tax Act and the Charities Directorate. CRA’s mandate in reference to charities is necessary to promote compliance of the income tax legislation and regulations. While this role works to regulate the tax system, it does not necessarily work to examine the social outcomes of the nonprofit and charitable sector. This reality also makes it difficult for nonprofit organizations and the Canadian citizens to obtain sector information that goes beyond regulatory and legal requirements collected for charitable status. The Panel on Political Activities of Charities found that regulating charities through the current model is associated with challenges such as a lack of clarity and predictability for the charitable sector.

The nonprofit and charitable sector lacks a federal department, minister, agency, or secretariat devoted solely to it. Unlike other sectors that have a government structure dedicated to their overall wellbeing – such as food and agriculture, oil and gas, transportation, small business or fisheries – the nonprofit and charitable sector does not have a formalized “home” in the federal government.

Several international jurisdictions (i.e. United Kingdom, Australia, and New Zealand) have developed government structures for the nonprofit and charitable sector. The Australian Charities and Not-for-Profit Commission is one such model for consideration. The Commission not only regulates and administers charities, but it goes one step further by providing the social infrastructure for nonprofits to access guidance and support, and educates the public on the important work of the sector. This Commission has the objective of supporting and sustaining a robust and independent sector and maintaining public trust and confidence in the sector through accountability and transparency.

*CCVO encourages the Special Senate Committee on the Charitable Sector to develop recommendations for a federal government structure that supports and sustains a vibrant nonprofit and charitable sector.*

### RECOMMENDATION 3

**The Special Senate Committee recommend that the Federal Government develop a funding mechanism to encourage transformative sector-wide adoption of technology in efforts to close the digital divide that exists within the nonprofit and charitable sector.**

As new technology drives economic progress within other sectors, nonprofits are adapting at a much slower rate. This results in the Canadian nonprofit and charitable sector presently facing a digital divide and technology skills gap. The Nonprofit Technology Network's (NTEN) [2017 report](#) on technology and investment demonstrated that on average, nonprofit technology budgets (which are typically not large) are flat compared to the previous year, with a small percentage of organizations' technology budgets decreasing. As nonprofits are constantly looking for ways to decrease operating costs, this often leads to a lack of investment in hardware, software, staff training, other technological services, and incorporating technology into long-term strategic planning. In the NTEN survey, 44% of respondents reported including technology in their strategic plan on an "occasional or less often" basis. This reflects that many nonprofits are operating using outdated hardware, software and information systems, and under-utilizing the systems they do have due to a lack of trained staff – exposing them to potential security risks. Organizations located in rural communities may face even stronger technological hindrances with a lack of access to broadband internet connection.

The risk of this digital divide is that nonprofits are missing out on the opportunity to create greater impact in their work using technology. Digital tools can empower both staff and stakeholders to deliver on an organization's mission but failing to innovate can lead to less effective service delivery, resulting in a decreased ability to measure impact, a loss of funding interest and other unwanted outcomes. Incorporating technology, despite the high costs, has the potential to help organizations serve more people, evaluate and communicate their impact, and potentially bring in more funding, especially from unexpected sources (i.e. corporate partners).

Several funding models could be considered to alleviate some of the technological burdens that nonprofits face. One such example is to extend the Canadian Radio-television and Telecommunications Commission's Broadband Fund to incorporate nonprofit organizations. This would ensure that nonprofits across Canada have access to internet speeds of at least 50 Mbps and mobile wireless services to increase technological capacity. Another example is to reimagine the now-concluded Digital Technology Adoption Pilot Program (DTAPP) for nonprofit organizations. This type of program could be redesigned with the objective to reduce barriers in the sector by helping nonprofits create longer-term visions where digital technology is linked with maximizing efficiency within programs and services. A third example is to increase the federal budget towards the Digital Literacy Exchange Program, offering more advanced digital training initiatives for nonprofits, including cloud computing, data collection and analysis, web security, social media management, and search engine optimization.

*CCVO encourages the Special Senate Committee on the Charitable Sector to develop recommendations for the federal government to develop a funding mechanism to encourage transformative sector-wide adoption of technology in efforts to close the digital divide that exists within the nonprofit and charitable sector.*