



**CONFÉRENCE CANADIENNE
DES ARTS**

**CANADIAN CONFERENCE
OF THE ARTS**

'Finding Solid Ground?'

**Annual Analysis of the Federal Budget
Budget 2009**

Canadian Conference of the Arts (CCA)

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“Finding Solid Ground?”

Annual Analysis of the Federal Budget Budget 2009

Introduction

The title of this year’s budget analysis seeks to capture one of the main themes of the document: that the government has taken an important step toward putting the cultural sector on a solid financial footing with the recently announced five-year renewal of key cultural programs.

For some time now, partly because of political instability, the sector has suffered from the absence of any governmental vision or long-term strategy for culture. As was mentioned in previous CCA federal budget analyses, funding commitments of two years maximum; the abandonment of previous commitments (e.g. a new museum policy or the revision of CBC’s mandate); some surprise funding initiatives not reflective of any of the sector’s expressed priorities; the lack of coherence and transparency in decision-making, all of that led many observers to conclude that the government has no long-term vision for culture, neither domestically nor on the international scene.

Last years’ reductions to a number of cultural programs have made it even more difficult to determine the government’s intentions regarding cultural policies. However, the latest development seems to indicate that the federal government may be changing its approach and that it recognizes the importance of stable multi-year funding for the sector. Hopefully, this will signal the beginning of a reflection leading to longer-term policy development for this important sector of activity.

One must bear in mind that Budget 2009 was crafted by a government under duress, facing the prospect of falling should the other political parties not support its fiscal proposals. Cobbled together in roughly six weeks, the document reflects the political pragmatism required of the government given the high-stakes circumstances it was operating in. But despite the global economic downturn and financial crisis, the government did not slash cultural spending. **Budget 2009 announced \$535 million worth of funding over two years to the arts, heritage and cultural industries.** This is most certainly welcome news. Of this amount, **\$276 million represents new funding over two years, with the remainder consisting of renewal of funding to existing programs.**

Thus, \$174 million represents new funding for the 2009/10 fiscal year:

- \$30 million in additional funding to the *Cultural Spaces Canada* program for cultural infrastructure;
- \$7 million in additional funding to the *National Arts Training Contribution Program*;
- \$50 million to support marquee festivals and tourism-promoting events;

- \$25 million for creation of the Canada Prizes for the Arts and Creativity;
- \$60 million for upgrades to national historic sites;
- \$2 million to draft a plan to for the future of the Manège Militaire in Québec City, which was destroyed by fire in 2008.

The remainder is committed to 2010/11 and could be subject to change if the government alters its priorities.

Subsequent to the Budget 2009 spending commitments, the government announced over the summer that it had decided to renew a number of key cultural programs and spending for a period of five years. **The total spending commitment from 2010/11 to 2014/15 is \$642 million:**

- \$33.8 million annually to the *Canada Cultural Investment Fund* (formerly the Canadian Arts and Heritage Sustainability Program);
- \$30 million in annual funding to the *Canada Cultural Spaces Fund* (formerly Cultural Spaces Canada);
- \$18 million per year to the *Canada Arts Presentation Fund* (the provisionally renamed Arts Presentation Canada program; including base funding to this program, the annual total is \$33.4 million);
- \$27.6 million per year for the Canada Music Fund;
- an ongoing commitment of an additional \$25 million to the *Canada Council for the Arts* (maintaining the Council's total annual appropriation to \$181 million for the next five years);
- a follow-through on a Budget 2009 commitment: \$24.1 million in annual funding for five years to the *Canada Arts Training Fund* (formerly the National Arts Training Contribution Program).

Commitments in Budget 2009 and the program renewal announcements are very welcome news for the sector. Five-year program renewals provide invaluable stability for artists and arts organizations and the CCA can only hope that this approach is a sign of things to come.

Until now, the government's orientation towards the sector has been cause for concern. For example, while the government deserves credit for how quickly it rolled out the new funding announced for marquee festivals and tourism-promoting events, it is appropriate to note that many other initiatives are announced and then appear to lack timely follow-through. Thus, little progress has been made on creating the *Canada's National Trust*, announced over two years ago in Budget 2007. Some initiatives have even been abandoned completely by the government, including the implementation of a new museum policy, the CBC mandate review of some three years ago, and more recently, cancellation of the project to construct a home for the Portrait Gallery of Canada. And this year, few details have been released about the newly-created *Canada Prize for the Arts and Creativity*, for which an endowment of \$ 25 million has been set aside.

In addition, the government's approach to the sector and policy-making has often lacked coherence and transparency. When programs have been the victims of funding cuts or have been cancelled altogether, for example, it is very difficult to understand the genesis of the changes, and the cultural community is often side-swiped by the announcements, not having been consulted in the process. On the other hand, some funding initiatives come as a surprise for all stakeholders.

It is also often difficult to comprehend the rationale behind the government's decision to move forward in one area but not in another. For example, it continues to move forward with support for the Canadian Museum for Human Rights or it announces the creation of a new national museum in Halifax, but has abandoned construction of the Portrait Gallery of Canada for which several million dollars have already been expended.

And while it declined to assist the CBC with bridge financing earlier this year, the Minister of Canadian Heritage later on confirmed that the CBC would receive its \$60 million top-up in 2009/10 – but this good news was quickly followed by bad when it came to light that the CBC (like the National Film Board and the Canada Council for the Arts) will be required to participate in the Strategic Review for 2010, which may see its funding reduced by some \$50 million. It has therefore been difficult in this context to understand the government's position on cultural policy, making it challenging for those in the sector to respond to the government.

Further, the government does not appear to have a long-term vision for culture abroad. Foreign policy seems to be drifting progressively further away from its third pillar of public diplomacy to which the cultural sector normally participates. Many were both surprised and frustrated that the government would see fit to create the *Canada Prize for the Arts and Creativity* on the heels of its cuts to the *PromArt* and *Trade Routes* programs. It is laudable to promote cultural tourism in Canada, but if the government does not build awareness of Canadian cultural internationally, will cultural tourism to Canada flourish? Why not take advantage of the established fact that presenting our culture abroad supports Canada's other commercial objectives?

Finally, the sector has been subject to a number of funding cuts over the past year, which generated concern about its commitment to culture. **The cultural sector experienced funding cuts in the 2008 Strategic Review process to a total of \$45 million**, including elimination of the *Arts Promotion* and *Trade Routes* programs, as well as numerous other programs and program components in the arts, heritage and cultural industries (various components of Canadian Culture Online, the Canadian Arts and Heritage Sustainability Program, the Audio-Visual Preservation Trust of Canada, among others). In addition, the government announced in November 2008 its abandonment of the project to construct a home for the Portrait Gallery of Canada (\$29 million). **Including cancellation of the Portrait Gallery project, the total amount of funding cuts undertaken by the government since April 2008 is \$74 million.**

This budget analysis proceeds in four sections. The first examines 'the big picture' by discussing overall federal funding levels to key federal cultural institutions. The second focuses on the Department of Canadian Heritage, and examines its organizational structure and program expenditures across key areas of activity. The third section undertakes a detailed analysis of program expenditures across cultural sub-sectors. The final section explores a number of developments in the cultural sector beyond

expenditures, and looks at other government-wide initiatives with potential impact on the sector.

THE BIG PICTURE

Table 1 shows expenditures for the Department of Canadian Heritage and selected agencies and crown corporations for the period 2008/09 to 2009/10 (each of these organizations is examined in greater detail further on in this analysis).

The second and third columns show expenditures for fiscal year 2008/09: expenditures in the 2008/09 Main Estimates and Total Expenditures for 2008/09 that include expenditures in the Supplementary Estimates. The next columns show expenditures to date for 2009/10: spending in the Main Estimates and Supplementary Estimates A (the latter include spending announcements contained in Budget 2009). **Of note, of the organizations listed in the table, only the Department of Canadian Heritage benefited from funding announcements in Budget 2009, and a large portion of the funding represented program renewals rather than new spending (e.g., \$100 million for the Canadian Television Fund).**

The final two columns show the increase (decrease) in expenditures between 2009/2010 and (a) the Main Estimates 2008/09 and (b) total expenditures in 2008/09 (Main and Supplementary Estimates). The difference between expenditures to date in 2009/10 and total expenditures in 2008/09 should be interpreted with caution as additional supplementary estimates are likely to be released in the fall, thereby increasing total spending for 2009/10. As such, ***the final column likely overstates funding decreases and understates funding increases***. The CCA will undertake an analysis of additional supplementary estimates when they are released in order to give a more accurate picture of funding increases or decreases between this fiscal year and the previous one. For now, this analysis analyzes funding changes, paying particular attention to year-over-year changes in the Main Estimates, the best 'apples-to-apples' comparison available at this time.

Overall Funding Levels Decline

As the final two cells in the table's bottom row reveal, ***overall funding levels have experienced a modest decline***, decreasing from \$3.27 billion in the 2008/09 Main Estimates to \$3.17 billion in 2008/09 (a decline of 3.2%). The difference grows to \$242.3 million (7.1%) if spending to date in 2009/2010 is compared to total expenditures in 2008/09, but this figure should be interpreted with caution given that additional funding may be forthcoming in further supplementary estimates documents.

The following sections of this analysis discuss the specifics behind changes in funding levels to each organization in the table. For now, this "big picture" examination of year-over-year funding changes in the Main Estimates reveals that ***almost half of the organizations experienced small funding increases*** (Department of Canadian Heritage, increase of 2.4%; Canada Council for the Arts, 0.6%; Canadian Museum of Civilization, 1.6%; National Museum of Science and Technology, 11.6%; National Film

Board, 0.2%). **Of those with funding declines, some were relatively modest** (Canadian Broadcasting Corporation, -5.6%; National Gallery of Canada, -6.8%; and Telefilm Canada, -2.3%) while others were significant declines due mainly to the conclusion of funding for one-time capital projects (Library and Archives of Canada, -22.4%; National Arts Centre, -29.0%; Canadian Museum of Nature, -45.3%). **In the case of Library and Archives Canada, a large portion of the decline was due to cancellation in 2008 of construction of the Portrait Gallery of Canada (a decline of \$29 million).** Of note, this fiscal year was the first for which the Canadian Museum for Human Rights received funding in the Main Estimates. Following \$5 million allocated to the Museum in the 2008/09 Supplementary Estimates, it received an additional \$1.5 million in the 2009/10 Main Estimates. As noted above, ***it must be remembered that additional expenditures may accrue to the sector through further supplementary estimates, in which case the size of increases (decreases) may grow (decrease).***

Table 1: Expenditures for the Department of Canadian Heritage and Selected Agencies and Crown Corporations, 2008/09 to 2009/10 (millions of dollars)

Organization ¹	2008/09 Expenditures		Expenditures to date 2009/10			Increase (decrease) in Spending to date 2009/10 and...	
	Main Estimates	Total Expenditures ²	Main Estimates 2009/10	Supplementary Estimates A 2009/10	Total Spending to date 2009/10	Main Estimates 2008/09	Total Expenditures 2008/09
Department of Canadian Heritage	1,391.3	1,450.0	1,254.4	170.5 ⁴	1,425.0	33.7 2.4%	(25.0) (1.7%)
Canada Council for the Arts	180.5	182.1	180.8	0.8	181.5 ⁵	1.0 0.6%	(0.6) (0.3%)
Canadian Broadcasting Corporation	1,115.4	1,157.5	1,052.6	-	1,052.6	(62.8) (5.6%)	(104.9) (9.1%)
Library and Archives of Canada	157.6	164.9	121.4	0.9	122.3	(35.3) (22.4%)	(42.6) (25.8%)
National Arts Centre	49.6	52.5	35.2	-	35.2	(14.4) (29.0%)	(17.3) (33.0%)
National Gallery of Canada	53.3	55.5	49.7	-	49.7	(3.6) (6.8%)	(5.8) (10.5%)
Canadian Museum of Civilization	61.4	69.3	62.3	0.2	62.4	1.0 1.6%	(6.9) (10.0%)
Canadian Museum for Human Rights	-	5.0	1.5	-	1.5	N/A	(3.5) (70.0%)
Canadian Museum of Nature	59.2	62.3	32.4	-	32.4	(26.8) (45.3%)	(29.9) (48.0%)
National Museum of Science and Technology	31.0	35.5	34.6	-	34.6	3.6 11.6%	(0.9) (2.5%)
National Film Board of Canada	65.0	67.0	65.1	-	65.1	0.1 0.2%	(1.9) (2.8%)
Telefilm Canada	107.2	107.8	104.7	-	104.7	(2.5) (2.3%)	(3.1) (2.9%)
TOTAL	3,271.5	3,409.4	2,994.7	172.4	3,167.1	(104.4) (3.2%)	(242.3) (7.1%)

Note: Figures may not add to totals due to rounding.

¹All of these organizations also generate annual revenues.

²Total of expenditures in 2008/09 Main Estimates and 2008/09 Supplementary Estimates A, B and C. Annex I details the expenditures in the supplementary estimates.

⁴Figure includes Budget 2009 new spending announcements and program renewal announcements not captured in the 2009/2010 Main Estimates: Canadian Television Fund (\$100 million), Cultural Spaces Canada Program (\$30 million), National Arts Training Contribution Program (\$7 million), and the Publications Assistance Program (\$15 million). With the exception of the Canadian Television Fund, program renewal announcements in Budget 2009 are captured in the 2009/2010 Main Estimates figures. Section III of this analysis provides full details and a reconciliation of the Budget 2009 announcements to the 2009/2010 Main Estimates. Budget 2009 also announced \$100 million over two years (\$50 million per year) for marquee festivals and tourism-promoting events, \$25 million for the Canada Prize for the Arts and Creativity and \$75 million over two years to Parks Canada to upgrade National Historic Sites.

⁵Figures do not add to total due to rounding.

Sources: Department of Finance Canada, *Canada's Economic Action Plan: Budget 2009*; Government of Canada, *2009-2010 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2009-2010 for the Fiscal Year ending March 31, 2010*; Government of Canada, *2008-2009 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2008-2009 for the Fiscal Year ending March 31, 2009*; Government of Canada, *Supplementary Estimates (B) 2008-2009 for the Fiscal Year ending March 31, 2009*; Government of Canada, *Supplementary Estimates (C) 2008-2009 for the Fiscal Year ending March 31, 2009*.

Strategic Review and Arts and Culture Funding

As reported in last year's budget analysis, the government developed a new Expenditure Management System in 2007. Under this system, departments and agencies must manage their programs in line with clear results and evaluate program performance against results. A core element of the new system is ongoing expenditure reviews to 'assess whether programs are achieving their intended results, are effectively managed, and are appropriately aligned with the priorities of Canadians and with federal responsibilities.'¹

The first Strategic Review took place in 2007, and involved seventeen organizations, reviewing \$13.6 billion of departmental spending (approximately 15% of total direct program spending). Overall, the participating organizations identified \$386 million worth of annual expenditures to cut, with the funds being redirected either to new initiatives in their organizations or to Budget 2008 in general. Initial details were reported in Budget 2008 with full details emerging in the months following the budget.

The Department of Canadian Heritage, federal museums and Library and Archives Canada were among the organizations participating in the first Strategic Review. While \$15 million in 'savings' identified by federal museums is being reinvested over three years in capital and operating expenditures of these organizations, as reported in last year's budget analysis, the savings from the Department of Canadian Heritage were directed toward three departmental programs: the 2010 Olympic and Paralympic Torch Relays, the *Road to Excellence* for summer Olympic athletes, and to the Official Languages Action Plan. This angered some in the cultural sector, given that arts and culture funding cuts were redirected to programs other than those directly benefiting the sector.

Since Budget 2008, further details on departmental cutbacks were made available. Table 2 below shows the timing and amount of these program eliminations and funding cutbacks and reveals that ***since April 2008, over \$45 million in program cuts have been undertaken in the arts and culture sector.*** This includes a number of components of *Canadian Culture Online* (culture.ca, \$3.8 million; the *Canadian Cultural Observatory*, \$0.56 million; the *Canadian Memory Fund*, \$11.57 million; and the *Research and Development Component*, \$5.64 million), cutbacks to the *Canadian Arts and Heritage Sustainability Program* (\$3.9 million), funding cutbacks in the audiovisual sector (the *National Training Program for the Film and Video Sector*, \$2.5 million; the *Canadian Independent Film and Video Fund*, \$1.5 million; two components of the *Audio-Visual Preservation Trust of Canada*, \$0.3 million), reductions in book and periodical publishing expenditures (funding reductions to the *Book Publishing Industry Development Program*, \$1.0 million; and the *Canada Magazine Fund*, \$0.5 million), and elimination of program funding to support Canadian culture abroad (elimination of the *Arts Promotion Program*, \$4.8 million and *Trade Routes*, \$7.1 million). ***If the cancellation of construction of the Portrait Gallery of Canada is included (a one-time 'savings' of \$29 million in capital costs), total funding cuts announced since April 2008 rise to \$74 million.***

¹ Department of Finance Canada, *Canada's Economic Action Plan: Budget 2009*, Annex 3: Responsible Spending, p.267.

Many in the sector were particularly distressed by the elimination of the *Arts Promotion Program* (PromArt) and *Trade Routes*, cuts which have followed on the heels of previous reductions in public diplomacy budgets. The controversy that followed the announce of these cuts and the manner in which they were announced became an unexpected issue in the fall 2008 federal election and, according to many analysts, was instrumental in depriving the government of the majority it was seeking, largely due to the reaction of the Québec electorate to what was perceived as a frontal attack on culture.

While public spending in the arts and culture sector was not under scrutiny in the Strategic Review undertaken for Budget 2009, the 2008 cuts are continuing and will continue to have an impact in the years to come, as many of the expenditure reductions and program eliminations either just occurred at the end of fiscal year 2008/09 or are on the horizon at the end of fiscal year 2009/2010. Moreover, so long as the government continues with the Strategic Review process, cultural spending will once again be the subject of review in the future (organizations review their funding every four or five years). Indeed, it was recently announced that **the CBC (along with the Canada Council for the Arts and the National Film Board) will participate in the Strategic Review for the 2010 Budget**. The government notes that this review may not lead to spending reductions at the CBC given that expenditures on programs and services identified as 'lowest performing' could be reallocated within the Corporation. Nonetheless, this was difficult news for the organization, which has faced significant pressures on its operating budget in recent times.

The Department of Canadian Heritage indicates that the next round of Strategic Review in which the organization will participate is scheduled for 2011/12 but the first targets are not yet known. Although clarifying program objectives and ensuring program activities are supporting the achievement of objectives are laudable goals, where government priorities are in areas other than the cultural sector, the sector may find itself vulnerable in this process - as was demonstrated in the case of the first Strategic Review, where departmental 'savings' were redirected to priorities outside of the core arts, heritage and cultural industries programs.

In addition, it has become far more challenging to comprehend and analyze the expenditure management system as a result of the Strategic Review process, making it ever-more difficult to track funding level changes over time. While in some instances there is more information contained in the various Expenditure Management documents (the Main Estimates, Supplementary Estimates, Reports on Plans and Priorities, etc.), wading through these documents to glean relevant information on program expenditures and renewals, and reconciling this information with the budget, has become a far more daunting and time-consuming task. In light of this, the CCA hopes this year's budget analysis will assist the sector in gaining a clearer picture of expenditure developments.

Table 2: Eliminations and Reductions in Arts and Culture Funding since April 1, 2008 (millions of dollars)

Program/Initiative	Timing of Program Elimination			Funding reduced	Size of Program Cut or Reduction (millions)		
	At end of 2007/08	At end of 2008/09	At end of 2009/10		2008/09	2009/10	2010/11
Arts Promotion Program		✓				4.80	
Audio-Visual Preservation Trust of Canada (Feature Film Preservation and Access Program and Canadian Music Preservation and Access Program)		✓				0.30	
Book Publishing Industry Development Program (Supply Chain Initiative)				✓	1.0		
Canada Magazine Fund (Industry Development Component)				✓	0.5		
Canadian Arts & Heritage Sustainability Program (Stabilization & Capacity Building Components)		✓ (Stabilization)	✓ (Networking & Capacity Building)		3.90		
Canadian Cultural Observatory (culturescope.ca)	✓				0.56		
Canadian Independent Film and Video Fund		✓				1.50	
Canadian Memory Fund		✓				11.57	
Canadian Culture Online (Research and Development Component)	✓ (New Media R&D)	✓ (New Media Research Netwks)			5.64		
Culture.ca	✓				3.80		
National Training Program for the Film and Video Sector		✓				2.50	
Northern Distribution Program			✓				2.1
Trade Routes Program		✓ (contributions)	✓ (remainder of prog.)			7.10	
TOTAL					45.27		

Sources: Canadian Press, 'Canadian Heritage provides list of \$40 million in arts and funding cuts,' August 26, 2008; Department of Canadian Heritage, *2009-2010 Estimates, Part III: Report on Plans and Priorities*; House of Commons Canada, *Report on the Analysis of the Arts Programs that were Cancelled in Summer 2008*, Report of the Standing Committee on Canadian Heritage, April 2009, 40th Parliament, 2nd Session.

THE DEPARTMENT OF CANADIAN HERITAGE

Ministry and Departmental Organization.

The Ministry of Canadian Heritage is headed by the Minister of Canadian Heritage and Official Languages, the Hon. James Moore (Port Moody-Westwood-Port Coquitlam, BC), and also includes the Minister of State for Status of Women, the Hon. Helena Guergis (Simcoe-Grey, Ontario) and the Minister of State for Sport, the Hon. Gary Lunn (Saanich-Gulf Islands, BC).²

The Canadian Heritage Portfolio includes the Department of Canadian Heritage (including the Canadian Conservation Institute and the Canadian Heritage Information Network), nineteen other organizations, including agencies (e.g., Library and Archives Canada, the National Film Board, and the Canadian Radio-television and Telecommunications Commission), Crown Corporations (e.g., the Canada Council for the Arts, the Canada Science and Technology Museum, the Canadian Broadcasting Corporation, Telefilm Canada, the Canadian Museum of Civilization, the Canadian Museum of Nature, the National Arts Centre, and the National Gallery of Canada) and the Canadian Cultural Property Export Review Board. In addition to its headquarters in Gatineau, Québec, the Department maintains five regional offices and close to two dozen points of service.

As of 2009/10, multiculturalism programming will be transferred from the Department of Canadian Heritage to the Department of Citizenship and Immigration. The programs to be transferred include the Multiculturalism Program, Canada's Action Plan Against Racism and the Historical Recognition Program.

Expenditures Across the Department's Strategic Outcomes and Program Activities

The following section examines funding levels to key departmental programs. This section takes an overall view of the Department's strategic outcomes and key program activities.

From 2005/06 to 2008/09, the Department used virtually the same reporting structure. **For 2009/10, the Department substantially restructured the way it conceives of and reports on its activities. The new structure represents good news for the arts and culture sector.** Under the former structure, spending on arts, cultural industries and heritage was scattered throughout the Department's various Strategic Outcomes and Program Activities. With the new structure, spending for these categories has been grouped under a single Strategic Outcome and totals for each item are provided. Not

² It is not uncommon for Canadian Prime Ministers to assign ministerial or secretary of state responsibilities to other cabinet or caucus members in order to secure regional, gender, linguistic, etc. representation and/or to provide an opportunity for less experienced caucus members to gain cabinet experience as 'junior cabinet ministers' (secretaries of state).

only does this new structure make more sense intuitively, it also facilitates tracking year-over-year spending changes in the arts, cultural industries and heritage sub-sectors.

Table 3 on the following page shows the new reporting structure. The new structure breaks the Department's activities into three Strategic Outcomes, seven Program Activities aimed at pursuing each of the Strategic Outcomes, and a number of Program Sub-Activities, the specific programs in place to pursue Strategic Outcomes. **The first Strategic Outcome is the one of greatest relevance for the cultural sector; it focuses on the creation and accessibility of artistic expressions and cultural content and comprises all of the department's programming in the arts, heritage and cultural industries sectors.**

The second Strategic Outcome, 'that Canadians have a sense of their Canadian identity,' includes three Program Activities: promotion and attachment to Canada, engagement and inclusion and Official Languages. The third Strategic Outcome, 'that Canadians participate and excel in sport,' has a single Program Activity: sport. While these latter two Strategic Outcomes are of less relevance to the cultural sector, there are opportunities for support to the sector in areas such as Official Languages programming, the Building Communities through Arts and Heritage Program, and cultural programming in connection with the 2010 Olympics.

The final five columns of the table show Forecast Spending and Planned Spending for the 2008/09 to 2011/12 period. These figures include those reported in the Department's 2009/10 Report on Plans and Priorities as well as the spending announcements in Budget 2009 and the five-year program renewals announced over the summer (the Department's RPP figures do not include the budget or program renewal announcements).³ The analysis below focuses on the figures that incorporate the Budget 2009 and program renewal announcements.

Beginning with the 2008/09 to 2009/10 period, spending is set to decrease on the Department's first and third Strategic Outcomes by \$109.5 million and \$23 million, respectively, while it is slated to increase on the second Strategic Outcomes by \$46.0 million, for an overall decrease of \$86.5 million to the three Strategic Outcomes (*these figures must be interpreted with caution as they do not include expenditures in the supplementary estimates*).

These figures change, though, if the announcements in Budget 2009 are figured into the analysis. The announcements benefited exclusively the Department's first Strategic Outcome, specifically, the arts and cultural industries. Including them results in a spending increase of \$71.8 million on this Strategic Outcome, for an overall increase of \$94.9 million for the three Strategic Outcomes taken together (full details of the spending increases are provided in the following section). This is in contrast to last year's Budget Analysis, which noted that changes in departmental

³ The Planned Spending figures for 2009/10 in the Department's Report on Plans and Priorities are roughly \$50 million higher than those provided in the Main Estimates. The Department indicates that the difference owes to the following planned items: the *Olympic Torch Relay* (\$24.5 million), the *Official Languages Action Plan* (\$20.1 million) and *Local Arts and Heritage Events and Activities – Infrastructure* (\$4.6 million). As noted in the following section, some of these items appeared in Supplementary Estimates A.

spending appeared to be privileging other Strategic Outcomes over the arts, heritage and cultural industries programming.

Over the medium term (2009/10 to 2011/12), the picture is mixed. Including the recent program renewal announcements, arts expenditures are set to increase slightly over the coming two fiscal years. Heritage expenditures hold relatively steady between 2009/10 and 2011/12. In the cultural industries, meanwhile, the picture is somewhat bleak. Even including the Budget 2009 and program renewal announcements, departmental spending on the cultural industries is set to decline from \$367.7 million in 2009/2010 to \$349.7 million in 2010/11 to \$212.5 in 2011/12. Spending declines are also on the horizon for the Department's second and third Strategic Outcomes.

Funding declines beyond the current fiscal year must be interpreted with extreme caution, however, as Parliament only votes on the annual Main Estimates (2009/10), so Planned Spending is subject to change between now and 2010/11 and 2011/2012, including through program renewals. Indeed, the following programs are up for renewal: the *Book Publishing Industry Development Program* (\$36.6 million) and *Canadian Culture On-Line* (\$5.6 million, although as noted in the previous section, a number of components of this program were cut in the Strategic Review process). It is expected that the renewal announcement for at least the first of these programs will be made in the coming weeks.

As noted in previous CCA budget analyses, however, **even when commitments are made to renew programs, they must not be viewed as guarantees.** The government can reverse its intentions at a moment's notice – as it did last year for the Canadian Culture Online program, as well as other programs noted in Table 2 above. **Even where renewals are announced, they too, can be subject to change given that Parliament only votes on expenditures one fiscal year at a time.** While it is unlikely that the government would not follow through on the program renewal announcements, it can certainly do so should economic, fiscal or political circumstances change.

Table 3: Department of Canadian Heritage: Program Activity Architecture and Expenditures, 2009/10-2011/12

Strategic Outcomes	Program Activities	Program Sub-Activities	Forecast and Planned Spending \$millions			Planned Spending		
			Forecast Spending 2008/09	Planned Spending 2009/10	Increase/ Decrease in Spending	2010/ 11	2011/ 12	
Strategic Outcome 1: Canadian artistic expressions are created and accessible at home and abroad	Arts	Arts Presentation Canada Program, Cultural Spaces Canada Program, National Arts Training Contribution Program, Canadian Arts and Heritage Sustainability Program, Fathers of Confederation Building Trust	115.5	119.9	4.4	38.7	37.1	
		Budget 2009 Announcements	-	37.0	-	43.0	13.0	
		Renewal Announcements (June 26, 2009)*	-	-	-	78.3	108.3	
		Totals including Budget 2009 and Summer Renewal Announcements	115.5	156.9	41.4	160.0	158.4	
	Cultural Industries	Broadcasting Policy, Canadian Television Fund, Film and Video Policy, Film or Video Production Tax Credits, Canada Music Fund, Book Publishing Industry Development Program, Canada Magazine Fund, Publication Assistance Program, Canadian Culture Online, Canada New Media Fund, Copyright Policy, Cultural Sector Investment Review, Trade Routes Program, TV5, UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions	336.0	223.4	(112.6)	177.8	170.6	
		Budget 2009 Announcements	-	144.3	-	144.3	14.3	
		Totals including Budget 2009 and Summer Renewal Announcements	336.0	367.7	31.7	349.7	212.5	
	Heritage	Museums Assistance Program, Canada Travelling Exhibition Indemnification Program, Canadian Heritage Information Network, Canadian Conservation Institute, Movable Cultural Property Program	38.1	36.8	(1.3)	37.0	35.4	
	Total Strategic Outcome 1			489.6	380.2	(109.5)	253.4	243.1
	Total Strategic Outcome 1 including Budget 2009 and Summer Renewal Announcements			489.6	561.4	71.8	546.7	406.3
Strategic Outcome 2: Canadians have a sense of their Canadian identity	Promotion and attachment to Canada	Celebration and Commemoration Program, State Ceremonial and Protocol, International Expositions, Canadian Studies Program, Exchanges Canada Program, Katimavik Program	107.2	131.3	24.1	71.2	67.4	
	Engagement and Inclusion	Multiculturalism Program**, Canada's Action Plan Against Racism**, Human Rights Program, Building Communities through Arts and Heritage, Aboriginal Peoples' Program, Historical Recognition Program**	120.5	131.7	11.2	119.3	113.4	
	Official Languages	Development of Official Language Communities Program, Enhancement of Official Languages, Official Languages Coordination Program	364.5	375.2	10.7	363.7	348.5	
Total Strategic Outcome 2			592.2	638.3	46.0	554.3	529.3	
Strategic Outcome 3:	Sport	Hosting Program, Sport Support Program, Athlete Assistance Program, 2010 Federal Secretariat	220.3	197.3	(23.0)	177.9	171.3	

Canadians participate and excel in sport							
Total Strategic Outcome 3			220.3	197.3	(23.0)	177.9	171.3
TOTAL STRATEGIC OUTCOMES 1, 2 and 3 (excluding Budget 2009 announcements)			1,302.1	1,215.6	(86.5)	985.6	943.7
TOTAL STRATEGIC OUTCOMES 1, 2 and 3 (including Budget 2009 announcements)			1,302.1	1,397.0	94.9	1,173.0	971.0
Internal Services	Governance and Management Structure, Resource Management Services, Asset Management Services		Figure not provided in RPP	87.7	NA	77.1	79.3
TOTAL DEPARTMENT			N/A	1,303.5	N/A	1,062.7	1,023.0
TOTAL DEPARTMENT INCLUDING BUDGET 2009 AND SUMMER RENEWAL ANNOUNCEMENTS			N/A	1,484.7	N/A	1,356.0	1,185.9

Sources: Department of Canadian Heritage, *2009-2010 Estimates, Part III: Report on Plans and Priorities*. Department of Finance Canada, *Canada's Economic Action Plan: Budget 2009*.

Note: Figures may not add to totals due to rounding.

*Renewed programs: Arts Presentation Canada Program (provisional new title: Canada Arts Presentation Fund), Cultural Spaces Canada Program (renamed the Canada Cultural Spaces Fund), National Arts Training Contribution Program (renamed the Canada Arts Training Fund) and Canadian Arts and Heritage Sustainability Program (renamed the Canada Cultural Investment Fund). Some of the funding was already announced in Budget 2009 and is reflected in the figures in the row above.

**Programs being transferred to the Department of Citizenship and Immigration.

DEVELOPMENTS ACROSS CULTURAL SUB-SECTORS

This section examines expenditures and highlights key developments across the arts, heritage, and cultural industries. Expenditures in the areas of official languages, aboriginal programs, and sport are also examined.

Table 4 shows funding in fiscal years 2008/09 and 2009/10 across key grants and contributions at the Department of Canadian Heritage. It shows total expenditures for 2008/09 (Main and Supplementary Estimates) and total estimates to date in 2009/10 (Main Estimates and Supplementary Estimates A, which incorporate the Budget 2009 announcements). ***It must be noted that additional increases may accrue to some programs through further supplementary estimates this year.***

This section also includes a reconciliation of the expenditures in the 2009/2010 Main Estimates and Budget 2009 (see Table 5), showing new spending versus program renewals for key programs in the arts and culture sector from 2009/10 to 2010/11.

The recent renewal of a number of key programs for five years is also incorporated into the analysis. This long-term funding stability is welcome news for artists and arts organizations.

-----ARTS-----

The ***Canadian Arts and Heritage Sustainability Program (CAHSP)*** was one of the casualties of program cuts undertaken by the Department of Canadian Heritage.

The program seeks to 'strengthen organizational effectiveness and build capacity of arts and heritage organizations' (Department of Canadian Heritage website). As shown in Table 2 earlier in this analysis, a number of CAHSP components were affected by the funding reductions. The Capacity Building component funds arts and heritage organizations operating in areas without stabilization projects (described below). The funds aim to improve organizational effectiveness. **This year's Main Estimates reduced funding to the Capacity Building component from \$6,134,043 to**

Table 4: Department of Canadian Heritage: Selected Grants and Contributions, 2008/09 to 2009/10 (dollars)

Grant/Contribution	2008/09			2009/10		
	Main Estimates	Supplementary Estimates A,B,C	Total	Main Estimates	Supplementary Estimates A ¹	Total Estimates to date
Arts						
Arts and Heritage Sustainability Program						
Capacity Building	6,134,043	-	6,134,043	4,365,479		4,365,479
Stabilization Funds	626,760	-	626,760	-		-
Networking Initiatives	1,000,000	-	1,000,000	1,000,000		1,000,000
Endowment Incentives	14,884,420	-	14,884,420	14,884,000		14,884,000
Arts Presentation Canada Program	28,362,112	-	28,362,112	28,362,112		28,362,112
Building Communities through Arts & Heritage	7,000,000	900,000	7,900,000	13,755,000		13,755,000
Canadian Culture On-line program	10,658,643	3,410,000	14,068,643	5,567,143		5,567,143
Cultural Capitals of Canada	3,862,680	-	3,862,680	3,862,680		3,862,680
Cultural Spaces Canada Program	29,342,801	-	29,342,801	28,332,485	28,827,075	57,159,560
National Arts Training Contribution Program	16,703,920	-	16,703,920	16,703,920	6,838,600	23,542,520
Heritage						
Museums Assistance Program	14,445,845	-	14,445,845	14,446,000		14,446,000
Cultural Industries						
Canada Media Fund						
Canadian Television Fund	119,950,000	-	119,950,000	20,400,000	99,550,000	119,950,000
Canada New Media Fund	14,196,077	-	14,196,077	14,196,077		14,196,077
Book Publishing Industry Developmt Prog.	37,637,660	-	37,637,660	36,637,660	750,000	37,387,660
Canada Music Fund	22,614,982	-	22,614,982	22,364,982	999,100	23,364,082
Canada Magazine Fund	15,381,182	-	15,381,182	14,881,638		14,881,638
Publications Assistance Program	45,400,000	-	45,400,000	45,400,000	15,000,000	60,400,000
Other Grants and Contributions						
Celebration and Commemoration Program ²	23,286,423	13,050,000	36,336,423	19,155,641	19,750,000	38,905,641
Sport Grants & Contributions						
Athlete Assistance Program	26,676,000	-	26,676,000	26,677,000		26,677,000
Sport Support Program	101,563,183	8,000,000	109,563,183	101,113,596		101,113,596
Games' Hosting Program	50,387,404	28,527,000	78,914,404	43,992,404		43,992,404
Official Languages						
Enhancement of Official Languages Program	111,020,927	-	111,020,927	110,021,000	1,989,600	112,010,600

Development of Official Language Communities Program	238,913,473	2,200,000	241,113,473	226,690,000	14,505,100	241,195,100
Aboriginal Peoples' Program	57,757,982	184,929	57,942,911	57,862,911		57,862,911

¹The Supplementary Estimates capture new funding announcements made in Budget 2009. The budget also made a number of funding commitments beyond fiscal year 2009/2010 as noted in Table 5 below.

²The “Grants to non-profit organizations, Canadian institutions, individuals, the private and public sectors and other levels of government for the purpose of furthering participation in Canadian society and *Celebrate Canada!* activities” identified in the 2008-09 Main Estimates has been renamed “Grants in support of the Celebration and Commemoration Program”.

Sources: Department of Finance Canada, *Canada's Economic Action Plan: Budget 2009*; Government of Canada, *2009-2010 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2009-2010 for the Fiscal Year ending March 31, 2010*; Government of Canada, *2008-2009 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2008-2009 for the Fiscal Year ending March 31, 2009*; Government of Canada, *Supplementary Estimates (B) 2008-2009 for the Fiscal Year ending March 31, 2009*; Government of Canada, *Supplementary Estimates (C) 2008-2009 for the Fiscal Year ending March 31, 2009*.

Table 5: Reconciliation of Budget 2009 Announcements and Selected Programs in the Main Estimates 2009/2010 (millions of dollars)

Program/Initiative	Budget 2009							Main Estimates 2009/10	Total Spending to date 2009/10 (Budget 2009 + Main Estimates 2009/10)
	2009/2010		2010/2011		Totals 2009/10 & 2010/11		Total		
	New spending	Renewed programs	New spending	Renewed programs	New Spending	Renewed Programs			
Cultural Spaces Canada	30		30		60		60	28.3	58.3
Canada Prizes for the Arts and Creativity	25				25		25	-	25
National Arts Training Contribution Program	7		7	6	14	6	20	16.7	23.7
Publications Assistance Program		15 ¹		15 ¹		30 ¹	30 ¹	45.4	60.4
Canada New Media Fund		14.3		14.3		28.6	28.6	Renewal announced in Budget 2009	14.3
Canadian Television Fund		100		100		200	200	20.4	120.4
Marquee festivals	50		50		100		100	-	50
National historic sites	60		15		75		75	-	75
Manège militaire	2		2		2		2	-	2
Totals	174	129.3	104	135.3	276	264.6	540.6	NA	383.7

¹ Although these expenditures represent new funding to the Publications Assistance Program, they were not presented by the government as 'new spending', presumably because the funding replaces the \$15 million in annual government funding to publishers that was discontinued by Canada Post.

\$4,365,479 and it will be eliminated at the end of 2009/10. The Department's website states that 'the last deadline to apply to the Capacity Building Component for the current funding cycle is October 15, 2008 for projects starting in the spring of 2009. Projects submitted to the Department must be entirely completed by March 31, 2010.'

The Stabilization Projects component was completely eliminated in the funding cuts of 2008. This component helped to establish projects that support professional arts and heritage organizations in specific geographical areas. The Projects provided technical expertise for capacity building (e.g., governance, strategic planning and organizational effectiveness), and in some instances, financial assistance for deficit-reduction and the development of working capital reserves. The projects, intended to be short-term in nature (usually operating a decade or less), are locally-run by independent non-profit organizations with representative boards of directors. The Department's website indicates that the program 'has achieved its original objective to strengthen the organizational, administrative and financial health of arts and heritage organizations benefiting from the program, through support provided through third parties'.

The Networking component funds pan-Canadian projects 'whose aim is to develop and strengthen capacity through harnessing the power of artists, the arts, and culture to build creative, sustainable, and healthy communities' (Department of Canadian Heritage website). **The Networking component will be eliminated at the end of 2009/2010.** Its funding level remains at \$1,000,000 for this fiscal year.

The Endowment Incentives component is the only remaining component of the original CAHSP. Through this program, the government supports arts organizations to establish endowment funds by providing matching funding for private donations, was the only component of the CAHSP not affected by the funding cuts. Funding to this component held steady at \$14,884,000 in this year's Main Estimates.

The CAHSP has been renewed by the government for a period of five years at an annual funding level of \$33.8 million. The program has been renamed the Canada Cultural Investment Fund, and it includes the Endowment Incentives component, Cultural Capitals of Canada and a new element, Strategic Initiatives. The government indicates that the renamed program, 'will help arts and heritage organizations continue to build and diversify their revenue streams, strengthen their organizational capacity, business skills, and competencies' and will 'assist them in being better rooted and recognized in their communities' (Department of Canadian Heritage website). The new element, Strategic Initiatives, will help arts and heritage organizations and communities 'to implement better business practices, diversity revenue sources, increase their competitiveness, and advance cultural development' (ibid).

Funding to **Arts Presentation Canada** remained steady in the Main Estimates at \$28,362,112. The objective of the program is to give Canadians 'direct access to diverse, quality artistic experiences through financial assistance to arts presenters or the organizations that support them' (Department of Canadian Heritage website). This program administers a portion of the *Building Communities Through Arts and Heritage* program funding (see below). **The program, provisionally renamed the Canada Arts Presentation Fund, was renewed by the government for a period of five years at an annual funding level of \$33.4 million.**

Building Communities Through Arts and Heritage. As many will recall, Budget 2007 announced \$30 million in funding over two years for this local arts and heritage festival program, which seeks to expand opportunities, through festivals and other events, for local artists and artisans to be involved in their communities (the *Local Arts and Heritage Festivals* component) and for groups to commemorate local history and heritage (the *Community Historical Anniversaries Programming* component). The \$30 million in funding to this program has been distributed as follows: \$3 million in 2007/08 and \$14 million in 2008/09 (\$7 million to *Arts Presentation Canada* and \$7 million to *Building Communities Through Arts and Heritage*). As shown in Table 4, the remaining \$13 million appears in funding to the *Building Communities Through Arts and Heritage* program in this year's Main Estimates. The program was also allocated an additional \$900,000 in 2008/09 through the Supplementary Estimates.

The ***Cultural Capitals of Canada*** program aims to 'promote the arts and culture in Canadian municipalities, through recognition of excellence and support for special activities that celebrate the arts and culture and integrate them into overall community planning' (Department of Canadian Heritage website). The winners of the *Cultural Capitals of Canada* for 2010 are Winnipeg, Manitoba; Saguenay, Québec and Saint John, New Brunswick. The budget for this program remains unchanged in 2009/2010 at \$3,862,680. The program has been renewed as part of the five-year renewal announcement over the summer. It will now form part of the Canada Cultural Investment Fund (see above).

As reported in last year's budget analysis, the ***Canadian Culture On-line* program was a significant casualty of Strategic Review, with virtually its entire program components eliminated.** Table 2 in the previous section shows the extent of the cuts, which include the *Canadian Cultural Observatory* (culturescope.ca), the *Canadian Memory Fund*, the Research and Development Component of the program and *Culture.ca*. The program was allocated \$5.6 million in this year's Main Estimates and the Department indicates that the only remaining components of Canadian Culture On-line are the Partnerships Fund, which seeks to support partnerships 'to connect all Canadians with the riches of Canada's heritage by making Canadian cultural collections held by provincial, municipal and local cultural organizations available via the Internet in both official languages' (Department of Canadian Heritage website) and the *Gateway Fund*, which aims to increase Canadian content on-line, build audiences for the content, and encourage Canadians to share their perspectives on-line. Despite the cuts, *Canadian Culture On-line* did receive an additional \$3.4 million through an internal reallocation of resources in the 2008/09 Supplementary Estimates C 'to support the creation of digital cultural content reflective of our diversity of cultures.' ***Canadian Culture On-line* is up for renewal in March 2010 but it did not figure among the programs renewed for five years in the government's recent announcement and the Department has not yet indicated whether it plans to seek renewal of the program.**

Cultural Spaces Canada seeks to 'improve physical conditions for artistic creativity and innovation' and to 'increase access for Canadians to performing arts, visual arts, media arts, and to museum collections and heritage display' (Department of Canadian Heritage website). Non-profit arts and heritage organizations apply to the program for funding to support building, improving and renovating facilities, purchasing equipment and undertaking feasibility studies. Funding to the program declined slightly in this year's Main Estimates to \$28,332,485, but **the program was allocated an additional \$60 million over two years in Budget 2009 to support infrastructure for 'local and community cultural and heritage institutions'** (Department of Canadian Heritage website). Rechristened the *Canada*

Cultural Spaces Fund, the program has been renewed for a period of five years at the current level of \$ 30 million annually, the first such instalment (2010-11) having been announced in the Budget itself, which means that 2009-10 is the only year for which the program's budget was doubled.

Following on the heels of this announcement, the program has increased the maximum amount of support it will provide to 50% of eligible costs (from 33% or 40% depending on the type of project). Sources in the Department of Canadian Heritage indicate that the \$30 million in new funding for 2009/2010 was money that was already committed to a number of projects noted in Budget 2009: the Toronto Public Library revitalization project, Toronto's Famous PEOPLE Players, la Maison du Festival de Jazz in Montréal and the Confederation Centre of the Arts in Charlottetown.

For 2009/10 and 2010/11, the program website notes that 'priority will be given to projects that clearly demonstrate a contribution to economic stimulation through immediate job creation and longer-term economic impacts.' While this criterion is understandable given the government's focus on economic stimulation in the current recession, it is regrettable that some worthy projects from an arts, cultural or heritage perspective may not receive funding due to insufficient economic impacts in the short and longer term. In addition, the first \$30 million in funding has been allocated to strengthening cultural infrastructure in large urban centres. While this is clearly important, the CCA hopes that future funding from this envelope will benefit cities and communities beyond Canada's largest urban centres.

The ***National Arts Training Contribution Program*** (NATCP) 'contributes to the development of Canadian creators and future cultural leaders of the Canadian arts sector by supporting the training of artists with high potential through institutions that offer training of the highest caliber' (Department of Canadian Heritage website). The program was an important beneficiary of Budget 2009, receiving an additional \$7 million in each of 2009/10 and 2010/11 (the budget also included \$6 million for 2010/11, which represented renewed program funding). As shown in Table 4, this brings total 2009/10 program funding to date to \$23.5 million. Budget 2009 commits the government to ongoing funding of the NATCP at this level, **and the program, renamed the *Canada Arts Training Fund*, was renewed for a period of five years at an annual funding level of \$24.1 million.**

Canada Council for the Arts. Funding to the Canada Council for the Arts remained relatively unchanged in 2009/10. The Council did not receive any additional funding in Budget 2009. Fortunately, the Council has a proactive policy in place to try to insulate it when significant downturns in the economy place pressure on its endowment. The Council's policy averages out revenue over a three year cycle, which enables it to absorb the economic shock of this year and not diminish the grants it distributes. The situation could become problematic, however, if the recession continues for some time. As mentioned previously, over the summer **the government announced a five-year renewal of the \$25 million top-up to the Canada Council, maintaining its annual funding level at \$181 million for the 2010/11 to 2014/15 period.**

The Canada Council received a transfer of \$750,000 from the Department of Canadian Heritage to put in place the new *National Translation Program for Book Publishing*. As shown in the Annex to this analysis, the Canada Council also received transfers of \$3.5 million from the Department of Canadian Heritage in the 2008/09 Supplementary Estimates A and B. These transfers were to support Canadian sound recording (\$250,000), the UNESCO International Fund for Cultural Diversity of the Convention on the Protection and

Promotion of the Diversity of Cultural Expressions (\$500,000), the development of Official Language Minority Communities (\$800,000), and the 2008 update of the National Compensation Study of Managerial and Administrative Personnel in Not-For-Profit Arts Organizations (\$28,000). The Council also transferred \$26,000 to the Department of Canadian Heritage to share the costs of statistical reports on the arts in Canada.

Table 1 reveals that funding to the **National Arts Centre** declined from a total of \$52.5 million in 2008/09 to \$35.2 million in the 2009/10 Main Estimates. The drop occurred as a result of a decline in funding required for capital and infrastructure needs. The NAC received a total of \$56.6 million for urgent repairs and equipment replacement as part of the five year \$100 million commitment by the Conservative government in 2006 to national cultural institutions for capital and infrastructure needs. The NAC also received transfers from the Department of Canadian Heritage in the 2008/09 Supplementary Estimates A and B for the development of Official Language Minority Communities (\$293,000) and to support 'the creation of cultural content on-line and other digitization projects' (\$450,000). The NAC also received \$250,000 in the Supplementary Estimates from Western Economic Diversification to support the BC Scene Festival in Ottawa. However, the NAC has been affected by the economic downturn and has had to abolish some 40 staff positions.

As shown in Table 1, funding to the **National Gallery** is down slightly from last fiscal year 2008/09, dropping from total funding of \$55.5 million in 2008/09 to \$49.7 million in 2009/10. The reduction occurs as a result of a decline in funding required for capital and infrastructure needs (as part of the \$100 million five-year infrastructure funds for national cultural institutions announced by the government in late 2006, the Gallery received \$14.8 million for repairs related to health and safety issues). As shown in the Annex to this analysis, the Gallery received an additional appropriation of \$1.8 million in the 2008/09 Supplementary Estimates B to address operating and infrastructure pressures.

Budget 2009 also announced that the government will allocate \$25 million to an endowment fund for the creation of the **Canada Prizes for the Arts and Creativity**. This annual competition will award prizes to emerging artists in Canada and abroad in the fields of dance, music, visual art and dramatic arts. The winners will be selected by a jury of internationally respected judges and will be awarded a cash prize and a slot at the Luminato Festival, which will take place the week after the award-winners are selected. Budget 2009 notes that the Canada Prizes 'will also develop media-based curriculum guides for schools across Canada to enhance knowledge about the arts.'⁴ The creation of this new prize took many in the cultural sector completely by surprise. Not only were they unaware this funding announcement was in the works, they were also surprised that the government would put in place such a mechanism on the heels of cuts to the promotion of Canadian culture abroad. It is laudable to promote cultural tourism in Canada, but if the government does not build awareness of Canadian culture internationally, cultural tourism to the country may suffer. The Department of Canadian Heritage is currently consulting within and outside of the Department to identify how the Prizes will be organized and administered. The Department has indicated it is interested in receiving input from the cultural sector in this process.

Budget 2009 also allocated **\$100 million over two years for marquee festivals and tourism-promoting events**. These funds, which aim to support tourism during the current economic downturn, are being administered by Industry Canada through the *Marquee Tourism Events Program*. Industry Canada consulted with the Department of Canadian

⁴ Department of Finance Canada, *Canada's Economic Action Plan: Budget 2009*, p.175.

Heritage to develop the program, which aims to help events 'that attract a large number of international visitors to maintain and enhance their international appeal' (Industry Canada website). Some 45 festivals across the country have received funding so far (for the list, consult <http://www.ic.gc.ca/eic/site/dsib-tour.nsf/eng/qq00166.html>)

-----HERITAGE-----

Funding to the **Museums Assistance Program** (MAP) held steady in this year's Main Estimates at \$14.4 million. While the MAP was spared cutbacks in the Strategic Review of 2009, many will recall that it was cut by twenty-five percent in fall 2007 as part of the government's expenditure reduction exercise at that time. Funding to the MAP is far lower than the \$75 million the Canadian Museums Association indicates is required to adequately meet the needs of museums across Canada. The MAP will be up for renewal in 2009/10, but the Department has it plans to seek renewal of this program, subject to the evaluation under way.

After four years, the government has still not delivered on its promise to enact a new museums policy. Indeed, the Department's 2009/10 Report on Plans and Priorities makes no mention of developing the policy.

In 2008/09 the government began moving forward with its contributions to the private sector-led **Canadian Museum for Human Rights**. The museum, to be based in Winnipeg, will be the first national museum located outside of the National Capital Region. The government has indicated that it will contribute as much as \$22 million per year in operating costs to the new museum and will commit \$100 million in capital costs to the project, to be matched by more than \$210 million in private and corporate donations. The Museum now operates a website (www.humanrightsmuseum.ca) which indicates a projected opening for the institution of 2012.

As shown in Table 1, the government committed \$5 million in the 2008/09 Supplementary Estimates and \$1.5 million in this year's Main Estimates to the operating and capital costs of the Museum. The Museum now formally appears in the Main Estimates as an independent organization with the Strategic Outcome of 'Enhanced knowledge of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue.'⁵ The description of the Museum's Program Activities in the Main Estimates notes that it will be the first museum in the world to explore human rights and that in its first years of operation, it will focus primarily on establishing a public program that includes research and scholarship, exhibits and educational programming that foster 'reflection and dialogue', and strong national outreach and communications. Given that the museum will include both public and private funds, the government has committed to manage funds in a 'transparent, accountable manner'.

As shown in Table 1, funding to the **Canadian Museum of Civilization** declined from \$69.3 million to \$62.4 million between 2008/09 and 2009/10. The Museum received \$170,000 in the 2009/2010 Supplementary Estimates A to help with negotiations of comprehensive land claims and First Nations' self-government in British Columbia.

⁵ Government of Canada, *2009-2010 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*, p.5-13.

Additional funds for 2008/09 were allocated to the Museum in the Supplementary Estimates B and C: an appropriation to address operating and infrastructure pressures (\$3.6 million), additional funding to address an operating shortfall (\$2.2 million), a transfer from the Department of Canadian Heritage for the creation of cultural content online (\$2.1 million) and a transfer from the Canadian International Development Agency (\$250,000) for an exhibit on Afghanistan.

Funding to the **National Museum of Science and Technology** held very steady, at \$34.6 million in the 2009/10 Main Estimates. The Museum received \$2.7 million in the 2008/09 Supplementary Estimates B to address 'operational and capital pressures' and \$750,000 in the 2008/09 Supplementary Estimates C to address an operational shortfall at the Canada Aviation Museum's storage hangar.

The decline in funding to the **Canadian Museum of Nature** (from \$62.3 million in 2008/09 to \$32.4 million in 2009/10) owes mainly to the upcoming completion of major renovations at the Museum but also to an additional \$3.04 million in appropriations in the 2008/09 Supplementary Estimates B to address 'operational and capital pressures. The Museum's Renewal Project commenced in 2004 and will be completed in 2010. The renovated building will feature new galleries, new infrastructure and environmental controls. The Museum is now in the final phase of the renovation project, which will see improvements to visitor amenities in the east wing and central core.

Library and Archives Canada. As Table 1 shows, expenditures to Library and Archives Canada declined substantially between 2008/09 and 2009/10 from \$164.9 million to \$122.3 million. The 2009/10 Main Estimates note that this decline owes primarily to a decrease of \$29 million for the construction of the Portrait Gallery of Canada (see below), a decrease of \$6.8 million to build an interim collection facility resulting from 'an adjustment in the funding profile of the project', a decrease of \$3.5 million 'to replace obsolete systems and provide the capacity for managing government digital publications and records,' and a decrease of \$1.1 million arising from conclusion of the project to preserve the papers of former Prime Ministers. The drop in expenditures also arises because of expenditures allocated in the 2008/09 supplementary estimates for a number of items, including a transfer from the Department of Canadian Heritage for the 'creation of cultural content online and other digitization projects' (\$2.2 million) and projects to develop 'a national network of Canadian archives, holdings, activities and services' (\$1.0 million). Library and Archives Canada received a further \$871,000 in the 2009/10 Supplementary Estimates A, notably a transfer from the Department of Canadian Heritage for 'the creation of cultural content online and other digitization projects' (\$850,000).

The past few years have been momentous for the **Portrait Gallery of Canada**, whose vision is to 'focus on portraits of people from all walks of life who have contributed and who continue to contribute to the development of Canada' (Portrait Gallery of Canada website). As many will recall, the Chrétien Liberal government announced the creation of the Gallery in 2001. It was to be housed in the former US Embassy on Wellington Avenue in Ottawa, with \$22 million of renovations to be completed by 2005. The project was pushed back to a 2007 completion date due to rising costs and delays. When the Harper Conservative government came to power in 2006, they cancelled the project and explored the possibility of establishing the Gallery in Calgary in partnership with oil and gas giant EnCana Corporation. Then, in November 2007, the government announced a request for proposals to develop the gallery in one of nine Canadian cities: Vancouver, Calgary, Edmonton, Winnipeg, Ottawa-Gatineau, Toronto, Montreal, Québec City and Halifax. Proposals were to

include significant involvement of the private sector, but beyond that, requirements were largely undefined, an unusual situation for government procurement contracts. The deadline for receiving bids was May 2008 but only a small number of cities prepared bids: Calgary, Edmonton and Ottawa. The government was expected to make its decision in the fall of 2008, but instead, announced last November that it would not be announcing a winner, instead abandoning its plans to construct a building to house the Gallery due to 'global economic instability'.

The government's 'on-again-off-again' approach to the Portrait Gallery has been very frustrating for the cultural community. The bidding process of last year was bitterly criticized by many for its lack of clarity, generation of needless competition between cities, and waste of eleven million dollars on renovations already undertaken to the original location – among other reasons – but canceling the competition after bids were submitted wasted further resources, this time those of the participating communities, and delayed even further the identification of a permanent home for the Gallery. Nonetheless, this latest turn in the tortuous Portrait Gallery story may revive the possibility of locating the institution in the nation's capital, in keeping with major national portrait galleries abroad. This will depend, though, on the government. Will it turn its attention back to the Gallery?

As shown in Table 5, **Budget 2009 also provided an additional \$75 million to Parks Canada for upgrades to National Historic Sites, and \$2 million to draft a plan for the future of the Manège Militaire in Québec City**, which was destroyed in 2008 by fire.

-----*CULTURAL INDUSTRIES*-----

Broadcasting, Audiovisual Production and New Media

As shown in Table 2, **a number of broadcasting, audiovisual production and new media programs were the victims of the 2008 Strategic Review**. This included cancellation of a number of components of the Audio-Visual Preservation Trust of Canada in 2008/09 (the Feature Film Preservation and Access Program and the Canadian Music Preservation and Access Program), elimination of the Canadian Independent Film and Video Fund at the end of 2008/09, cancellation of the National Training Program for the Film and Video Sector at the end of 2008/09, and elimination of the Northern Distribution Program in 2009/10.

Canada Media Fund. In March 2009, the government announced that it was creating the Canada Media Fund to 'ensure the production of quality content and to make it available on multiple platforms' (Department of Canadian Heritage website). The new fund will bring together the Canadian Television Fund (CTF) and the Canada New Media Fund (CNMF) and will be fully in place by April 1, 2010. Total government funding for the new program will stand at close to \$135 million, roughly the combined total of the two existing funds (\$120 million for the CTF and \$14.2 million for the CNMF). The fund also receives considerable funding from broadcast distribution undertakings (BDUs) mandated by the CRTC: this contribution was \$ 166.3 million in 2008.

The government based its decision on four key principles: getting governance and accountability right (a single independent board composed of members nominated by the funders), rewarding success and requiring innovation (the fund will favour high definition projects and those that have demonstrated potential), focusing investment on what Canadians want (the fund will emphasize drama, comedy and children's programming and

will only support documentaries, variety and performing arts programs that can demonstrate that the market alone would not provide sufficient support) and leveling the playing field (eligibility will be broadened to include broadcaster-affiliated production companies and broadcasters' in-house production; CBC/Radio-Canada's historic access to 37% of the CTF will be discontinued).

While this change is positive in that it recognizes new media as part of the broadcasting system, commits two years of support to the CMF at existing levels and does not split the fund in two, it may pose a number of challenges, including those to be faced by the independent production sector and CBC/Radio-Canada, which will now have to compete against broadcaster-affiliated production companies and broadcasters' in-house production (the extent to which these latter entities will take advantage of their new eligibility is not yet clear – there is considerable economic advantage to using third party productions).

The new governance structure may also be disadvantageous in that it may accord too much representation – and result in potential conflicts of interest – to broadcast distribution undertakings. The CCA has received assurances from the government that the new governance structure will not result in conflicts of interest. The Fund's board is to be comprised of seven members (five from the BDUs and two government appointees). While the board will be able to establish broad directions for the fund, it will have no direct involvement in funding decisions.

Until the new fund is in place, the Canadian Television Fund and the Canada New Media Fund will continue to operate as they do currently. Budget 2009 announced renewal of the **Canadian Television Fund (CTF)** for two years at its current level of \$100 million. As shown in Table 4, along with the \$20.4 million transfer to the CTF in the 2009/10 Main Estimates, total funding to the program is stable at \$120.0 million for 2009/10. The **Canada New Media Fund**, administered by Telefilm Canada, seeks 'to further the development, production, and marketing/distribution of high-quality, original, interactive or on-line Canadian cultural new media works, in both official languages' (Department of Canadian Heritage website). Funding levels remain unchanged to this program, at just over \$14 million.

Canadian Broadcasting Corporation. The CBC has had a very tough year. Not only has its funding declined in the Main Estimates from \$1.158 billion in 2008/09 to \$1.053 billion in 2009/10, but the organization has also experienced a decline in advertising revenues, which forced it to effect program cuts in March 2009 to make up for a more than \$170 million budget shortfall. These cuts included the elimination of 800 positions and numerous programs in French and English radio and television. The broadcaster also intends to sell off assets to raise the funds it needs.

Although the government refused to provide bridge funding for the CBC at the height of its crisis, Minister of Canadian Heritage James Moore confirmed that **the CBC will receive its \$60 million top-up** for Canadian programming this year when he appeared before the House of Commons Standing Committee on Canadian Heritage at the end of April 2009. This additional funding of \$ 60 million did not appear in the first Supplementary Budget A but it should be part of the next round of Supplementary Budget.

Since this time, the Minister also stated to the Standing Committee that the CBC would not face further cutbacks, but it has since come to light that the organization will participate in the Strategic Review for Budget 2010. The CBC will be required to identify the lowest

performing 5% of its programs and services and this funding (roughly \$50 million) will then either be reallocated within the CBC or removed from the organization to support other government priorities. The organization's \$60 million top-up was not included in the first set of supplementary estimates (Supplementary Estimates A), but will presumably be forthcoming in subsequent supplementary estimates.

As Table 1 shows, funding to the **National Film Board** dropped slightly over the last two fiscal years from \$67.0 million in 2008/09 to \$65.1 million in 2009/10. Table 1 shows that funding to **Telefilm Canada** also declined somewhat from \$107.8 million in 2008/09 to \$104.7 million in 2009/10. Both of these organizations received transfers from the Department of Canadian Heritage in this year's Supplementary Estimates A for the development of Official Language Minority Communities (\$320,000 to the NFB and \$550,000 to Telefilm Canada). The NFB also received a transfer of \$750,000 from the Department of Canadian Heritage in Supplementary Estimates C to support the production of a work celebrating the 400th anniversary of Québec City. Telefilm received a supplementary appropriation of \$75,000 'to support projects that give access to cultural products in both official languages' in Supplementary Estimates B.

Publishing

Book Publishing. The **Book Publishing Industry Development Program (BPIDP)** seeks to 'ensure access to a diverse range of Canadian-authored books in Canada and abroad' (Department of Canadian Heritage website) through support to the Canadian book publishing industry. There are four components to the Program: Aid to Publishers (funding to publishers for production and promotion of Canadian authored books), Supply Chain Initiative (to support the use of new technologies to strengthen the infrastructure that develops competitiveness and increases access to Canadian-authored books), Collective Initiative (capacity building for the book industry as a whole), and International Marketing Assistance (funding to support export sales).

BPIDP was a casualty of the Strategic Review, with a \$1 million reduction imposed on its Supply Chain Initiative component in 2008/09. The program is up for renewal in 2009/10 but it did not figure among the programs renewed for five years in the government's recent announcement. The Department has not indicated at this time whether it plans to seek renewal of the program. BPIDP received an additional \$750,000 in the Supplementary Estimates A for contributions.

Periodical Publishing. The Canada Magazine Fund (CMF) and the Publications Assistance Program (PAP) are the two main funding programs supporting periodical publishers. The **Canada Magazine Fund** supports editorial content, arts and literary magazines, business development for small magazine publishers, and industry development. Total funding to the CMF remained relatively unchanged from last fiscal year at approximately \$14.9 million. The **Publications Assistance Program**, which helps to offset mailing costs for periodical publishers, saw its funding grow to \$60.4 million (\$45.4 million in the Main Estimates and \$15 million in the Supplementary Estimates). The additional funds replace the postal subsidy discontinued by Canada Post.

Sound Recording

Canada Music Fund. The *Canada Music Fund* is the main program used to pursue the three major objectives of the Canadian Sound Recording Policy: to build capacity among

music artists and entrepreneurs, to enhance Canadians' access to Canadian music, and to broaden opportunities for music artists and entrepreneurs to contribute to Canadian cultural expression. It is comprised of multiple components, including the Creators' Assistance Component (to aid songwriters, composers and lyricists with their craft and business knowledge), the Canadian Musical Diversity Component (to encourage musical diversity in the Canadian sound recording industry), the Collective Initiatives Component (to support conferences, award shows and market development projects) and the Canadian Music Memories Component (to support the preservation of musical works). Expenditures to the Canada Music Fund have held relatively steady. The program received close to \$1 million in additional funding through the Supplementary Estimates, bringing total funding to the program to \$23.4 million.

The *Canada Music Fund* was renewed over the summer for five years at an annual level of \$27.6 million. The government will be restructuring the fund by April 1, 2010, reducing the number of components from seven to five (the Canadian Musical Diversity (CMD) component and the Support to Sector Associations component will be absorbed into the other components). Expenditures in the CMD component will be reallocated to digital market development (\$900,000) and international market development (\$500,000), and the Fund will expand eligibility to stimulate digital business opportunities.

-----OTHER EXPENDITURES-----

Celebration and Commemoration Program. This program, formerly referred to as 'Celebrate Canada!', provides financial assistance to a variety of organizations (non-governmental, community, charitable and private organizations, as well as municipal governments, schools and school boards) to organize community events between June 21st and July 1st, the 'Celebrate Canada!' period. Eligible expenses include spending directly linked to program objectives (e.g., promotional costs, entertainment, equipment rental, supplies, etc.) but the program is only intended to cover a portion of the costs of the event. Funding to this program has risen substantially over the last number of years, from roughly \$2 million in 2005/06, to \$13 million in 2006/07, to close to \$22 million in 2007/08 (\$10.6 million of the 2007/08 total was for the 400th Anniversary celebrations of Québec City). In 2008/09, total funding to the program stood at \$36.3 million, with \$20 million of this total allocated to Québec City's 400th Anniversary Celebrations.

This year, the program received \$19.2 million in the Main Estimates and an additional \$19.8 million in the Supplementary Estimates for a total of \$38.9 million. ***The CCA notes that the government is now allocating more than \$130 million to local festivals on an annual basis:*** \$38.9 million to this program, \$28.4 million to the Arts Presentation Canada Program, \$13.8 million to the Building Communities through Arts and Heritage program and \$50 million to the Marquee Tourism Events Program (the marquee festival funding announced in Budget 2009). This is much more than double the amount from last year and many times more than amounts from previous years.

For the cultural sector, it is also important to recall that not all of these funds go to support festivals in the arts, heritage and cultural industries. And there is a growing level of criticism to the effect that while the money given to festival may bring about financial return on the

government's investment, it benefits largely foreign artists and takes away from money to support the development of new Canadian talent.

Sport. The **Athlete Assistance Program** provides support to athletes to improve their performance at international events and to enable them to pursue their sport training schedules while attending school or working. The **Sport Support Program** provides funding to national sport organizations, multisport service organizations, and to organizations active in a number of priority areas (including sport participation, ethics and knowledge transfer/information sharing). For its part, the **Games' Hosting Program** supports 'sport organizations to host the Canada Games and international sport events in Canada' (Department of Canadian Heritage website). As Table 4 shows, funding to the Athlete Assistance Program held steady at \$26.7 million, while funding to the Sport Support Program and the Games' Hosting Program declined from \$109.6 million to \$101.1 million and from \$78.9 million to \$44.0 million, respectively. These declines are due to the conclusion of a one-time payment for the Sport Support Program to invest in the 'summer high performance sport system' and, for the Games' Hosting Program, due to reduction in funding requirements for the Winter 2010 Olympics. Budget 2009 announced an additional \$1.5 million in 2009/10 for the Special Olympics and the Supplementary Estimates provided an additional \$24.1 million for the Olympic Torch Relay.

Official Languages. Grants and contributions to promote Canada's official languages and to support official language minority communities declined in fiscal year 2009/10. The **Enhancement of Official Languages Program**, which seeks 'to foster among Canadians a greater understanding and appreciation of the benefits of linguistic duality,' (Department of Canadian Heritage website) experienced a slight increase in funding from \$111.0 million to \$112.0 million, including close to \$2 million in additional funding through Supplementary Estimates A. Including funding in the supplementary estimates, funding to the **Development of Official Language Communities Program** held steady at \$241.2 million. This program involves support to enable official-language minority communities to 'access to services in their own language, as well as the infrastructure necessary to ensure their growth and development' (Department of Canadian Heritage website).

Aboriginal Programs. The **Aboriginal Peoples' Program** 'supports the full participation and cultural revitalization of Aboriginal People in Canadian society' (Department of Canadian Heritage website) through funding programs for aboriginal organizations, aboriginal communities and aboriginal living cultures. Funding to the Aboriginal Peoples' Program held steady at \$57.9 million in 2009/10.

VARIA:

OTHER DEVELOPMENTS

Other Budget 2009 Announcements of Relevance for the Cultural Sector. Budget 2009 also announced that the government will be consulting with Canadians to develop **options to provide self-employed Canadians with the ability to access Employment Insurance maternity and parental benefits.** Given that many in the cultural sector do not currently have access to the Employment Insurance system, this could be a positive development to support artists and other cultural workers beginning or expanding their families. Budget 2009 also announced almost \$12 billion in new infrastructure funding over two years. This includes **\$500 million over two years to construct and renew community recreation facilities.** Given that cultural infrastructure is often co-located with recreation amenities in multipurpose facilities there could be opportunities for the cultural sector to build or renew cultural infrastructure above and beyond the \$60 million over two years for cultural infrastructure via the Cultural Spaces Canada program.

Public-Private Partnerships. Budget 2008 announced the creation of **PPP Canada Inc.**, a Crown corporation to support public-private partnerships. The organization will work with the public and private sectors to encourage the growth of Canada's market for public-private partnerships. Finance Minister Jim Flaherty announced in December 2008 that PPP Canada Inc. would begin operations in 2009 and will report to the Minister of Finance. To this end, the Minister announced in January 2009 the appointment of Gregory Melchin as Chair and John McBride as CEO of the new organization. Melchin was a member of the Legislative Assembly in Alberta and a former Minister of Seniors and Community Supports, Minister of Energy, and Minister of Revenue. He has also worked at senior levels in the private sector. McBride comes to PPP Canada from the Canadian International Development Agency, where he was the Executive Vice-President, and was previously President and CEO of the Canadian Commercial Corporation and a senior executive at Industry Canada. Budget 2008 also announced the creation of a \$1.257 billion **Public-Private Partnerships Fund (P3 Fund)** to support innovative public-private partnership initiatives. The P3 Fund, implemented by PPP Canada Inc., will focus on municipal projects.

In last year's budget analysis, the CCA raised a number of concerns regarding PPP Canada Inc. and the P3 Fund. First, public-private partnerships are not without their critics, particularly when it comes to the equitable distribution of risk and rewards between the partners, the challenge of pursuing public interests when private partners are driven by market forces, and the extent to which the long-term efficiency and cost savings often touted by proponents of these arrangements are realized. The CCA would like to reiterate this concern and underscore the importance for those in the cultural sector of carefully weighing the benefits and costs of PPPs prior to entering into these arrangements. Second, the CCA questioned what sort of governance structure would be adopted for this new organization, and wondered whether it would only include public and private representatives, or whether members of civil society would also be involved. The appointment of the Chair and CEO suggests the importance to the government of placing public and private sector leaders at

the head of the organization. Will there be some means for members of civil society to also be involved? Finally, the CCA questioned whether the new P3 Fund would include opportunities for the development of cultural infrastructure. Given that the P3 Fund has stated that it will focus on municipal projects, it is possible that there will be opportunities for the cultural sector to benefit from the fund.

UNESCO International Convention on the Protection and Promotion of the Diversity of Cultural Expression. This important initiative seeks to safeguard governments' cultural policy capacity in the context of trade liberalization. As mentioned previously, the Department of Canadian Heritage transferred \$500,000 to the Canada Council for the UNESCO International Fund for Cultural Diversity of the Convention. Canada is a member of the Intergovernmental Committee, which is responsible for promoting the Convention's objectives and implementation and developing operational directives. In March 2009, the 24-member Intergovernmental Committee met in Paris and focused mostly on preferential treatment for cultural goods, cultural services, artists and other cultural professionals from developing countries; identifying financing mechanisms for the International Fund for Cultural Diversity, and raising the visibility of the Convention. At the meeting, Canada indicated that it would not be able to fully implement the text adopted on preferential treatment, which included 'simplifying the procedures for issue of visas regarding entry, stay and temporary travel' and reducing the cost of visas. The next meeting under the auspices of the Convention is the second Conference of Parties to take place in Paris June 15-18 2009. This meeting aims to adopt the operational guidelines to serve as a framework for implementation of the Convention by member states.

Canada's National Trust. Budget 2007 announced the creation of *Canada's National Trust*, an arm's length institution to 'encourage Canadians to protect important lands, buildings and national treasures'.⁶ Based on the model of the National Trust in the United Kingdom, the government allocated \$5 million over two years to the organization (\$2 million in 2007/08 and \$3 million in 2008/09). While this represented a recognition by the government of the importance of heritage protection, Budget 2007 was very sketchy on details of the new Trust – its powers, appointment procedures, mandate, organization, etc. It was also not clear how this organization would relate to other similarly-mandated organizations at the federal and provincial levels (e.g., the Heritage Canada Foundation, the Ontario Heritage Trust, etc.). The situation does not appear to have improved since. Indeed, relatively little seems to have taken place since this time. The Ministry of the Environment, to which the new organization is to be attached, hosted a roundtable in February 2008 on the creation of the Trust. Then, in summer 2008, the Parliamentary Secretary for the Environment invited a number of organizations to respond to the National Trust proposal.

Sources within the sector indicate that a memorandum to cabinet is currently being developed and is in the inter-departmental consultation stage. Unfortunately, consultations with interested parties outside of government circles have been very limited and the government has not been forthcoming with information about its plans for creation of this new organization. This seems to run counter to the government's commitment to transparency. It also seems to contradict the government's commitment to efficient and effective use of government resources: the initiative appears to duplicate the activities of existing government organizations, notably the Heritage Canada Foundation, created by the

⁶ Department of Finance Canada, *Aspire to a Stronger, Safer, Better Canada: The Budget Plan 2007*, p.15.

federal government as a National Trust in 1973. Why does the government seem to want to reinvent the wheel?

Annex

Expenditures for the Department of Canadian Heritage and Selected Agencies and Crown Corporations, Total of Main Estimates and Supplementary Estimates for Fiscal Year 2008/09 (millions of dollars)

Organization ¹	Main Estimates 2008/09	Supplementary Estimates A 2008/09		Supplementary Estimates B 2008/09		Supplementary Estimates C 2008/09		Total Expenditures 2008/09 ²
		Transfers	Appropriations	Transfers	Appropriations	Transfers	Appropriations	
Department of Canadian Heritage	1,391.3	(1.8)	24.3	(7.7)	29.2	(1.7)	-	1,450.0
Canada Council for the Arts	180.5	1.6	-	1.9	-	-	-	182.1
Canadian Broadcasting Corporation	1,115.4	-	-	2.0	-	-	-	1,157.5
Library and Archives of Canada	157.6	-	-	2.1	0.6	0.8	-	164.9
National Arts Centre	49.6	0.2	-	0.7	-	-	-	52.5
National Gallery of Canada	53.3	-	-	-	1.8	-	-	55.5
Canadian Museum of Civilization	61.4	-	-	2.1	3.6	0.3	1.8	69.3
Canadian Museum for Human Rights	-	-	-	-	5.0	-	-	5.0
Canadian Museum of Nature	59.2	-	-	-	3.0	-	-	62.3
National Museum of Science and Technology	31.0	-	-	-	2.7	-	1.5	35.5
National Film Board of Canada	65.0	0.3	-	-	-	0.8	-	67.0
Telefilm Canada	107.2	0.6	-	0.8	-	-	-	107.8
TOTAL	3,271.5	-.³	24.3	-.³	45.9	-.³	3.3	3,409.4

Notes:

¹All of these organizations also generate annual revenues.

²Totals for each organization may differ slightly from the sum of the Main and Supplementary Estimates due to additional funding received in 'carry-forward' between Supplementary Estimates A and B, as well as the inclusion of funds received for eligible payroll expenditures and collective agreements received after Supplementary Estimates B.

³Totals for transfers not provided as some of these expenditures represent transfers from one agency to another within the Ministry or represent transfers in or out of the Department of Canadian Heritage for programming in areas other than those treated in this Budget Analysis (see discussion in Section II for details of the transfers).

Sources: Government of Canada, *2008-2009 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2008-2009 for the Fiscal Year ending March 31, 2009*; Government of Canada, *Supplementary Estimates (B) 2008-2009 for the Fiscal Year ending March 31, 2009*; Government of Canada, *Supplementary Estimates (C) 2008-2009 for the Fiscal Year ending March 31, 2009*