



BULLETIN

Canadian Conference of the Arts ~ Conférence canadienne des arts

DON'T UNDERESTIMATE "THE ESTIMATES"

Ottawa, March 17, 2005 - As part of its overarching commitment to "secure Canada's social foundations", the federal government's Budget Plan 2005 announced significant support for Canada's arts, culture and heritage sector, primarily through \$192 million annually -- until March 2010 -- for the renewal of the funding program known as Tomorrow Starts Today. Granted this fiscal commitment is a historic one and is much welcomed by the sector, but one must always heed caution until specifics are known; the devil, as the saying goes, is in the details.

Since the February 23rd budget announcement (see Bulletins 09/05 and 10/05), the Canadian Conference of the Arts (CCA) has been anxious to scrutinize the 2005-06 Main Estimates Parts I and II in order to offer a clearer assessment of how the new budget will impact our member organizations and the arts, culture and heritage sector at large. As previously announced, CCA will have a substantial, detailed analysis of Budget Plan 2005 available on our website by early May, in both official languages. CCA will also continue to update members on new budget-related findings and developments in the coming weeks, as necessary. In the meantime, the full text of the Main Estimates is available for download here: http://www.tbs-sct.gc.ca/est-pre/20052006/p2_e.asp

Having completed our preliminary analysis over the past few weeks, CCA would like to highlight the following details. In order to understand the context for this initial analysis, CCA recommends that members refer to the actual text of the 05-06 Main Estimates as they read onward.

- The impact of the Government of Canada's Expenditure Review on the Department of Canadian Heritage (DCH) for the fiscal year 2005-06 will be \$2 million. By 2010, the total will have reached \$38 million. Details on the Government of Canada's Expenditure Review can be found on the following website, and specifically, details on the impact to DCH are shown in "Chart 5: Departmental Savings Initiative". http://www.expenditurereview-examendesdepenses.gc.ca/index_e.asp. As per the government, these financial management savings will be achieved by reducing corporate overhead and streamlining program delivery to provide similar or better levels of service, at less cost. Most importantly, these changes will not affect funding available to program recipients.
- Finance Minister Ralph Goodale initiated a separate fiscal reallocation exercise at the beginning of 2004-05, which asked for savings contributions from all government departments, totaling \$1 billion. A portion of these contributions are reflected in the Main Estimates, though not easily discerned. For example, the Canada Council for the Arts' budget was reduced by \$858,000 between the 04-05 and 05-06 Main Estimates as part of their contribution to this exercise; the Council's total share is \$1.5 million. However, the "good news" is that Canada Council received \$3.4 million in new appropriations, from the 2004-05 Supplementary Estimates (B) process. For further details, the full text of the 04-05 Supplementary Estimates (B) is available for download here <http://www.tbs-sct.gc.ca/est-pre/sups0405e.asp>.
- The Canadian Broadcasting Corporation (CBC) lost \$51.897 million between the 04-05 and 05-06 Main Estimates for their operating and capital expenditures, but received an additional \$60 million for radio and television programming as part of Tomorrow Starts Today.

For more information:
Kathleen McManus
Communications Officer
804 - 130 Albert Street
Ottawa, ON K1P 5G4
(613) 238 3561 ext.11
Fax (613) 238 4849
info@ccarts.ca
www.ccarts.ca

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- The Department of Foreign Affairs and International Trade (DFAIT) will receive \$8 million per year, for five years, for the support of its “Public Diplomacy and Cultural Programs”, which will total \$40 million over fiscal years 05-06 through 09-10. Through this set of programs DFAIT is able to assist Canadian exporters entering international markets and provides grants to Canadian groups and individuals for the promotion of Canadian culture abroad.
- The Main Estimates reflect a loss in funding for DFAIT’s “Grants in Aid of Cultural Relations” of approximately \$5 million (from \$9,814,00 in 2004-05 to \$4,694,00 in 2005-06). However, according to a spokesperson at DFAIT, this amount was higher over the past several years because project-type funding that was “sun-setting” was included in the \$9.8 million figure; specifically, \$2 million for the “Public Diplomacy Program” and approximately \$3 million for the “Canada-France 2004 Project”.
- Further to concerns in the sector and subsequent advocacy efforts regarding possible reductions in DFAIT’s support of its “Arts Promotion Program”, CCA confirms that this program has not been cut. Rather, a DFAIT spokesperson says the exact funding amount to be allocated from the new budget has yet to be determined.
- Overall, the federal museums that receive direct funding through the Department of Canadian Heritage (i.e. the Canadian Museum of Civilization, the Canadian Museum of Nature, and the National Museum of Science and Technology) missed out somewhat in this year’s budget. Combined, they lost almost \$47 million in funding for their operating and capital expenditures, though much of it can be explained by capital projects associated with the Museum of Civilization.
- Even though it appears that the “Cultural Spaces Canada” program lost almost \$10 million in funding, from \$37.1 million in 04-05 to \$27 million in 05-06, according to a spokesperson from the Department of Canadian Heritage, the budget for 04-05 actually reflected \$8.8 million that was “re-profiled” from fiscal year 2003-04. CCA will continue to monitor this.
- There is a considerable decrease of upwards of \$30 million in the contributions and grants for Aboriginal initiatives, due to the “sun-setting” of funding for various programs funded by the Department of Canadian Heritage, namely in the category of “Participation in Community and Civic Life” (page 5-10). However, CCA received confirmation from DCH that the authority to spend money on these programs will be sought during the Supplementary Estimates process in 2005-06.
- There is an increase in contributions of approximately \$37 million to the “Canadian Television Fund”, which is the result of a request to level the funding at \$100 million for 2005-06.
- Even though there is a sizeable decrease in contributions to the Canadian Magazine Publishing Industry totaling \$12 million, a DCH spokesperson confirms that, “This is due to an amount of \$10 million that is in the fiscal framework and that will be accessible via the Supplementary Estimates A in 2005-06.”
- Telefilm Canada’s funding was reduced by \$5.8 million, from a budget of \$129.674 million in 04-05 to \$123.874 million in 05-06.

Again, CCA will be providing a more in-depth analysis of Budget Plan 2005 on our website by early May, and members will be advised when this study becomes available.