



**Canadian Conference of the Arts'
Analysis of the Supplementary Estimates A
Budget 2007- 2008**

November 2007

Canadian Conference of the Arts (CCA) Analysis of the Supplementary Estimates A

Overview

In this fiscal year's first set of Supplementary Estimates (Supplementary Estimates A), the government announced a total of \$13.6 billion worth of supplementary expenditures, of which \$8 billion were voted appropriations (discretionary program spending) and \$5.5 billion were changes to statutory budget spending (statutory obligations such as transfer payments to the provinces and transfers to individuals for employment insurance, pensions, etc.). The Supplementary Estimates A included considerable infrastructure funding, which may, as noted in this analysis, represent opportunities for the cultural sector.

For the Ministry of Canadian Heritage, expenditures in the Supplementary Estimates were directed to a variety of purposes, although much of the funding targeted the following key areas: capital repairs to national cultural institutions, expenditures to support the 2010 Olympics, and programs supporting Official Languages. Expenditures for programs in the arts, heritage and cultural industries were less prominent, and in the main, either followed through on prior commitments (e.g., providing the remainder of funding to the National Arts Training Contribution Program), were small transfers to or from the Department of Canadian Heritage to support existing programs, or represented funding to specific projects through existing programs.

The Big Picture

Table 1 shows expenditures for the Department of Canadian Heritage and selected agencies and crown corporations for the period 2006/07 to 2007/08, highlighting the expenditures in the Supplementary Estimates A and the increase/decrease in expenditures between total expenditures to date in 2007/08 and total expenditures in 2006/07.

As the table shows, all organizations save the National Film Board received new funding via transfers or appropriations (supplementary estimates include transfers and appropriations, with the former referring to transfers of funds from one organization to another and the latter referring to new funding to an organization through a new appropriation). The final column of the table shows the increases (decreases) in funding between total funding received to date in 2007/08 and total expenditures in 2006/07. Overall, total funding to date in this fiscal year is \$49.5 million (1.5%) higher than total expenditures in 2006/07. These funding increases represent fairly significant increases given that (a) total funding for 2006/07 included expenditures made in 2005-2006 but not passed in the supplementary estimates given that the Martin government fell in fall 2005 and a federal election was held, and (b) there are ordinarily two sets of supplementary estimates each fiscal year (A and B), and this is only the first set for 2007/08. As such, for those organizations where expenditures have fallen since the total

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for 2007/08, this decrease should be interpreted cautiously because total expenditures in 2006/07 were overestimated and because a second set of supplementary estimates may well be forthcoming early in 2008.

Turning to changes for each of the organizations listed in the table:

- Transfers out of the **Department of Canadian Heritage** included \$671,000 to the Department of Foreign Affairs and International Trade to support departmental staff located in missions abroad. The funding will support additional cultural representatives (\$269,000) and existing commitments (\$402,000). Transfers out of the Department also included monies to Agriculture and Agrifood (\$400,000) and Industry Canada (\$15,000) for the development of Official Language Minority Communities. (The following section examines new appropriations to grants and contributions programs at the Department of Canadian Heritage.)
- The **Canada Council for the Arts** received transfers from the Department of Canadian Heritage to support multilateral collaboration on French-language theatre and Canada's participation in meetings of the Commission internationale du théâtre francophone (\$230,000), and to support the Canadian Musical Diversity component of the Canada Music Fund (\$250,000). The Canada Council, for its part, transferred \$24,000 to the Department of Canadian Heritage for arts statistics reports, resulting in a net transfer of \$456,000 flowing into the Canada Council, as shown in the table.
- The **Canadian Broadcasting Corporation** received its \$60 million top-up to support English and French language programming.
- **Library and Archives Canada** received an additional \$12.4 million in voted appropriations for a range of purposes, including managing digital publications and records, improving access to information in multiple formats, and for planning a facility to conserve Canada's documentary heritage. The organization also received a transfer from Public Works and Government Services Canada for the establishment of the **Portrait Gallery of Canada** (\$23.2 million). As described in *CCA Bulletin 36/07 – Update on Various Files* (20 November 2007), the government has put out a call for proposals from nine cities to identify the location of the Portrait Gallery (Halifax, Québec City, Montreal, Ottawa-Gatineau, Toronto, Winnipeg, Edmonton, Calgary and Vancouver).
- The **National Arts Centre** received \$20.4 million for urgent capital repairs.¹ The NAC also received transfers from the Department of Canadian Heritage for Festival Zone Théâtrale, a festival for professional francophone theatres in minority regions in Canada and abroad (\$150,000) and for development of Official Language Minority Communities (\$193,000).

¹ As noted in Budget Analysis 2007, the Conservative government made a five year \$100 million commitment to national cultural institutions for capital and infrastructure needs. The capital expenditures in the Supplementary Estimates are following through on this commitment.

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- The **National Gallery** received \$4.7 million for capital repairs.
- The **Canadian Museum of Civilization** received additional appropriations to fund capital repairs (\$400,000), Canada's participation in International Polar Year 2007-2008 (\$263,000) and to fulfill commitments in the Nunavik Inuit Landclaims Agreement (\$62,000).
- The **Canadian Museum of Nature** received \$720,000 for health and safety repairs to the Natural Heritage Building in Gatineau.
- Additional funding to the **National Museum of Science and Technology** comprised \$4.2 million for capital repairs, \$325,000 for the establishment of a foundation to enable the private sector and individuals to contribute to the Museum, and \$250,000 for capital projects at the National Aviation Museum.
- The Department of Canadian Heritage transferred \$550,000 to **Telefilm Canada** for development of Official Language Minority Communities.

The Department of Canadian Heritage

Table 2 shows 2006/07 and 2007/08 expenditures on selected grants and contributions at the Department of Canadian Heritage, highlighting new appropriations in the Supplementary Estimates and total expenditures to date in 2007/08.

As shown in the table, most of the new funding accrues to sports, official languages and aboriginal programs. An additional \$50.5 million has been allocated to the **Games' Hosting Program** for the 2010 Olympics and \$490,000 to the **Sport Support Program** to support heritage sports such as lacrosse and three-down football. Following through on a commitment announced in Budget 2007, Official Languages programming received an additional \$15 million in funding for the **Enhancement of Official Languages Program** (\$3,000,000) and the **Development of Official Language Communities Program** (\$12,000,000). The Supplementary Estimates also included voted appropriations to the **Aboriginal Peoples' Program** for the Aboriginal Languages Initiative (\$5.0 million) and a transfer of \$112,000 from Indian Affairs and North Development to promote awareness and participation in National Aboriginal Day events.

Funding to programs for the arts, heritage and cultural industries was much more modest and mainly represented (a) transfers and appropriations to follow through on prior commitments and (b) the distribution of targeted funding to specific projects through existing programs. In the former category are appropriations to the **National Arts Training Contribution Program** (\$5.9 million) to bring the program's funding up to its customary \$16 million level and funding to the **Summer Museum Internships Program** to follow through on the Budget 2007 commitment to provide \$5 million in funding for 2007-2008 (a further \$5 million is slated to follow in 2008-2009). In the latter category are appropriations to **Celebrate Canada!** (\$500,000) to support the 49th

International Eucharistic Congress during the 400th anniversary celebrations for Québec City in 2008 and a transfer of \$800,000 from the Economic Development Agency of Canada for the Regions of Québec to the **Cultural Spaces Canada Program** to support the Musée de la Gaspésie. The CCA questions why the government has utilized the Supplementary Estimates to provide spending directly to specific projects – ordinarily the Supplementary Estimates provide new appropriations to general programs as opposed to specific projects.

General funding for new or existing arts and cultural programs in the Supplementary Estimates was limited to \$3.3 million to the **Arts Presentation Canada Program** (\$199,000) and the recently announced **Building Communities through Arts and Heritage** (\$3.1 million). The latter program, announced in fall 2007, is comprised of two components, Local Arts and Heritage Festivals (events that include the whole community, provide opportunities to local artists and/or celebrate local heritage) and Community Historical Anniversaries Programming (one-time commemorations of major anniversaries at the local level).

Of note, the Canada Magazine Fund (CMF) and the Publications Assistance Program (PAP) ordinarily receive additional funding in the supplementary estimates. Supplementary Estimates A did not include appropriations to either of these programs, and they will not be receiving additional funding in Supplementary Estimates B. The government announced in December 2006 that the PAP would receive stable funding, including a contribution of \$15M from Canada Post for two fiscal years. During this period, the government is examining its periodical publishing programs.

Other Expenditures

The Supplementary Estimates A also included a number of other appropriations related to or of relevance to the arts and cultural sector. These include:

- Funding for the **Exhibitions Program** and the **Rural Exhibits Program** (\$5.0 million). The Exhibitions Program funds such events as the Calgary Stampede while the Rural Exhibits Program is an outreach program for rural communities.
- Infrastructure Funding:
 - **Canada Strategic Infrastructure Fund** (\$571.8 million), which funds public infrastructure to improve the quality of life in urban and rural communities (including satellite-based broadband service to Nunavik)
 - **Provincial-Territorial Infrastructure Base Funding Program** (\$326.7 million), that supports provinces and territories to invest in national infrastructure priorities
 - **Municipal-Rural Infrastructure Fund** (\$126.8 million), a fund for smaller scale and ‘green’ municipal infrastructure as well as investments in culture, tourism and recreation infrastructure.
- Funding to organize and host the 12th Summit of la Francophonie in Québec City in 2008 (\$10.2 million).