



**The Canadian Conference of the Arts'
Annual Analysis of the Federal Budget
Budget 2006**

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804-130 Albert Street Ottawa, Ontario K1P 5G4
Telephone: 613-238-3561 Fax: 613-238-4849
www.ccartarts.ca info@ccarts.ca

The Canadian Conference of the Arts' Annual Analysis of the Federal Budget

Executive Summary

The 2006 federal budget analysis by the Canadian Conference of the Arts (CCA) captures the sense of uneasiness many in the arts and cultural sector feel in the current period. While overall funding levels rise modestly in Budget 2006, many are concerned this may be a period of calm before the proverbial storm. Stephen Harper's recently elected Conservatives are focusing and delivering on a limited number of priorities (none of which directly target the cultural sector) and are avoiding drastic change in other policy areas. With the party's popularity growing in public opinion polls, there is a question on many minds: *How would culture fare under a majority Conservative government?*

It is not clear what the answer to this question might be, although there is some cause for concern. The government's common refrain is that key cultural programs and institutions – notably the CBC – are “under review” and will be subject to consultation with Canadians. To date, however, the consultation style of the governing Conservatives is less fulsome, comprehensive and meaningful than many in the sector – indeed many Canadians – would desire. In this context, it is difficult to feel assured about the future of federal cultural policy and programs and *it is more important than ever for those in the cultural sector to impress upon the government the importance of cultural policy and programming to Canada.*

Another reason for concern is that while the appointment of the Hon. Bev Oda as Minister of Canadian Heritage was welcome news given her active support of the cultural sector as Canadian Heritage Critic while in Opposition, the CCA notes that of the five decision-making committees put in place by the Prime Minister, Minister Oda has only been appointed as a member of the Social Affairs Committee. This limits substantially the capacity for a cultural lens to be applied to policy in sectors beyond social affairs – notably those related to economic growth, infrastructure and communities, international trade negotiations and foreign affairs.

This Budget Analysis analyses federal funding to the Department of Canadian Heritage, cultural agencies and crown corporations; organizational and funding changes within the Department of Canadian Heritage; federal funding of key programs across the arts, heritage and cultural industries, and other noteworthy developments. A number of key findings emerge. First, while cultural funding levels rise modestly in Budget 2006, it is crucial to bear in mind that there were no Supplementary Estimates in fiscal year 2005/06. Additional expenditures in 2005/06 were made through Governor General's Special Warrants and these incremental amounts have been included in this year's Main Estimates. *As such, funding increases must be interpreted with caution as they include expenditures undertaken last fiscal year.*

Second, expenditure commitments made under the previous government will not necessarily be upheld by the current government. The previous government renewed the *Tomorrow Starts Today* initiative for a five-year period (2005/06 to 2009/10). While the government maintained *Tomorrow Starts Today* funding levels for fiscal year 2006/07, the fate of the program into the future is somewhat unclear. This is a legitimate cause for concern as Stephen Harper's Conservatives have shown they do not necessarily follow through on commitments made by their predecessors – as demonstrated by their decision not to follow through on a number of recent funding commitments under the previous government. Funding increases to the Canada Council for the Arts have been significantly scaled back and those to the National Arts Training Contribution Program, the National Arts Centre and the Confederation Centre of the Arts have disappeared altogether. There is also growing concern that the planned Portrait Gallery of Canada will be mothballed. To add to concerns, one must bear in mind that the current government has maintained one thing from the previous one: the commitment to find \$ 1 billion a year within existing programs for reallocation purposes.

Third, there are signs of a different – and possibly troublesome – approach to culture under the Conservatives. Conservative Party MPs' statements in the House of Commons and in the Standing Committee on Canadian Heritage emphasize freedom of choice, reliance on the private sector and

consumer choice in cultural policy. Could this be setting the stage for a significant withdrawal, reorientation of programming or reduction in funding to the cultural sector?

Introduction

The sense of pregnant anticipation of a stormy time to come characterizes the current period for the cultural sector. While in the main, expenditure levels rise slightly in Budget 2006, with a minority Conservative government eager to acquire majority status – and support for the Conservative party rising in public opinion polls – a question begs to be asked. *How would culture fare under a majority Conservative government?* Stephen Harper's newly elected Conservatives have chosen to focus and deliver on five key priorities – none of which directly target culture – and are avoiding drastic change in other policy areas. While this may be the kind of focused leadership that will enable Stephen Harper's Conservatives to transform their minority government into a majority of seats in the House of Commons, it is not clear what a majority Conservative government might mean for the level and nature of expenditures in the cultural sector.

Indeed, there may be signs of a lesser commitment to culture under a Harper majority government. Three year funding increases announced under the previous government to the Canada Council for the Arts, the National Arts Training Contribution Program, the National Arts Centre, and the Confederation Centre of the Arts have been significantly scaled back or have disappeared altogether in the new government's agenda. The long-in-the-making Museum Policy is conspicuously absent from the budget and as some recent reports have shown, there is also growing concern that the planned Portrait Gallery of Canada will be mothballed. On the other hand, the new government has kept at least one practice from the preceding one: the commitment to find \$ 1 billion a year within existing programs for reallocation purposes.

In addition, the previous government renewed the *Tomorrow Starts Today* program at the same level of funding for a five year period. While Budget 2006 maintains *Tomorrow Starts Today* programs at the same level of funding as in prior years, it remains to be seen whether the government will follow through on the previous government's commitment to renew the program through to 2009/2010. Minister of Canadian Heritage Beverly J. Oda's office provided this written to a question posed by Bloc Quebecois Heritage Critic Maka Kotto during her June 1 2006 appearance in front of the Standing Committee on Canadian Heritage, regarding her plans and priorities:

"Through the federal Budget of February 2005, the programs funded under the cultural investment known as *Tomorrow Starts Today* were renewed through to March 31, 2010. Programs will undergo appropriate evaluations in order to assess their effectiveness in meeting current and evolving needs."

There may also be signs of a different approach to culture under the Harper government. Conservative MPs' interventions in recent debates in the House of Commons and in the Standing Committee on Canadian Heritage emphasize freedom of choice, reliance on the market and consumer choice in cultural policy. In this context, *it will be crucial for those in the cultural sector to continue to impress upon the government the importance of cultural policy and programming to Canada – to work ardently to avert the possibility of a coming storm.*

In the current environment, however, delivering this message may be rather challenging. The early days of the new government have seen the rapid emergence of a distinctive governing style. Despite the Conservative Party's calls for greater openness, access, transparency and accountability while in opposition, upon coming to power, the Harper Conservatives have been less open and consultative than the sector – indeed many Canadians – would have hoped.

While the appointment of the Hon. Bev Oda as Minister of Canadian Heritage was welcome news given her active support of the cultural sector as Canadian Heritage Critic while in Opposition, the CCA notes that the new cabinet decision-making structure the Prime Minister has adopted sees limited opportunity for Minister Oda to bring cultural concerns to cabinet discussions. In addition to the Treasury Board, there are five committees of cabinet under Prime Minister Stephen Harper: Priorities and Planning (setting overall strategic direction), Operations (day-to-day management of the government's agenda), Social

Affairs (including health care, *culture*, aboriginal issues, immigration policy, and training), Economic Affairs (including economic growth, infrastructure and communities, sustainable development, regional economic development, and agriculture), and Foreign Affairs and National Security (foreign affairs, national security, international development, and defence). Regrettably, the Minister of Canadian Heritage has only been appointed a member of the Social Affairs Committee, which limits substantially the capacity for a cultural lens to be applied to policy in sectors beyond social affairs – notably those related to economic growth, infrastructure and communities, international trade negotiations and foreign affairs.

The new government is approaching the cultural file as they have other files in the social affairs domain, with the common refrain that programs are “under review” and will be subject to consultation. The CCA notes, however, that early signs suggest *the new government’s approach to consultation* is far less extensive and comprehensive than desirable. One needs to look no further than the recent consultations around the establishment of the Francophone Secretariat in the Department of Canadian Heritage, where consultations were hastily undertaken with as many participants as could be assembled under very short notice. A similar pattern characterized the Finance minister’s pre-budget consultations, where participants were hastily convened and participating organizations’ interventions were literally timed to three + one minutes each with a stopwatch. While the government is eager to say it is opening the consultation process to all Canadians on several issues through the use of the Internet, this barely compensates for that. News reports have also emerged that the web-based pre-budget consultations solicited over 5000 responses from Canadian, a majority of whom proposed policies and new funding initiatives that were not considered at all in the 2006 budget. Under these circumstances, it is difficult to feel assured that the new government will undertake meaningful reviews of cultural policy and programs.

In the meantime, many organizations have immediate pressing concerns to address: during the transition period, government fund transfers to some programs and organizations have ground practically to a halt. Significant delays in the receipt of operational funding leave many organizations struggling to fulfill their financial commitments – in some cases, board members are reported as mortgaging their house or drawing on their personal lines of credit to keep the organizations afloat until government funds are received! ***This is clearly unacceptable and the CCA calls on the government to resolve the matter as expeditiously as possible.***

This budget analysis proceeds in four sections. The first analyzes ‘the big picture’ by discussing overall federal funding levels. The second focuses on the Department of Canadian Heritage, examining its organizational structure and program expenditures. The third section undertakes a detailed analysis of expenditures across cultural sub-sectors, bringing forward the main changes, challenges and opportunities. The final section explores a range of developments in the cultural sector beyond expenditures (e.g. legislative changes, regulatory amendments, other policy initiatives with potential implications for the cultural sector, etc...).

The Big Picture

This section examines overall federal expenditures across the cultural sector. Table 1 shows spending levels for the Department of Canadian Heritage and selected agencies and crown corporations for the period 2004/05 to 2006/07 (the Department, agencies, and crown corporations are each examined in greater detail in subsequent sections of this analysis).

The middle three columns of the table show federal expenditures for fiscal years 2004/05, 2005/06 and 2006/07. All three years are retained for study given that the expenditure budget process in 2005/06 was somewhat of a departure from the normal expenditure cycle. Ordinarily, total expenditures for each fiscal year can be calculated by adding the sum of expenditures in the Main Estimates and the Supplementary Estimates.¹ Last fiscal year (2005/06), the Supplementary Estimates tabled in the fall by the previous government were not passed by Parliament before it dissolved in November for the election. During the election period and the transition to the new government, new expenditures were approved through Governor General's Special Warrants. Signed by the Governor General on advice of the government of the day, Special Warrants are the means for the government to secure additional expenditures when Parliament is dissolved (e.g., during an election period or in the period immediately proceeding formation of a new government).

Table 1 – Spending for the Department of Canadian Heritage and Selected Agencies and Crown Corporations, 2004/05 to 2006/07 (millions of dollars)

Organization ¹	Total Spending 2004/05 ²	Main Estimates 2005/06	Main Estimates 2006/07 ³	Increase (decrease) in expenditures between 2006/07 and	
				2004/05	2005/06
Department of Canadian Heritage	1,271.4	1,245.4 ⁴	1,384.6	113.20 +8.9%	139.40 +11.2%
Canada Council for the Arts	154.3	150.2	170.4 ⁵	16.1 10.4%	20.2 +13.4%
Canadian Broadcasting Corporation	1,026.3	1,042.4 ⁶	1,112.0	85.70 +8.4%	69.55 +6.7%
Library and Archives of Canada	113.8	92.9	109.1	(4.70) -4.1%	16.20 +17.4%
National Arts Centre	32.4	31.2	33.3	0.90 +2.8%	2.10 +6.7%
National Gallery of Canada	44.2	44.5	46.6	2.40 +5.4%	2.10 +4.7%
Canadian Museum of Civilization	96.3	58.7	59.9	(36.40) -37.8%	1.20 +2.0%
Canadian Museum of Nature	61.0	55.6	59.1	(1.90) -3.1%	3.50 +6.3%
National Museum of Science and Technology	29.8	24.4	25.6	(4.20) -14.1%	1.20 +4.9%
National Film Board of Canada	66.8	62.9	64.8	(2.00) -3.0%	1.90 +3.0%
Telefilm Canada	128.3	123.9	125.0	(3.30) -2.6%	1.10 +0.9%
TOTAL	3,024.6	2,931.9	3,190.40	165.80 +5.5%	258.50 +8.8%

¹ Ordinarily, the government tables the Main Estimates in the February preceding the commencement of each fiscal year (April 1st) and subsequently tables one or two Supplementary Estimates documents further on in the fiscal year (usually in the fall) to obtain parliamentary approval for additional expenditures not foreseen in the Main Estimates.

¹All of these organizations also generate annual revenues.

²Total expenditures in Main Estimates and Supplementary Estimates in 2004/05. A number of organizations experienced a reduction in their expenditure levels in the 2004/05 Supplementary Estimates as part of the government's reallocation initiative. Funding increments and funding reductions have been totalled to calculate the net funding change for each organization.

³Includes expenditures approved through Governor General's Special Warrants prior to the tabling of the Main Estimates.

⁴Figure includes an additional \$127.1 million in funding to the Department announced in Budget 2005.

⁵Figure includes an additional \$20 million in funding to the Canada Council announced in Budget 2006.

⁶Figure includes an additional \$60 million in funding to the Canadian Broadcasting Corporation announced in Budget 2005.

Sources: Government of Canada, *2006-2007 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *2005-2006 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *2004-2005 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A), 2004-2005*; Government of Canada, *Supplementary Estimates (B), 2004-2005*.

The inclusion of all three fiscal years aims to give a more accurate picture of changes in federal expenditures. In the first column, fiscal year 2004/05, expenditures listed are those from the Main Estimates and the Supplementary Estimates. Expenditures appearing in the middle column of the table originate only from the 2005/06 Main Estimates (given that the 2005/06 Supplementary Estimates were not approved by Parliament). For 2006/07, the Main Estimates include Governor General's Special Warrants. In the absence of the information for 2004/05, the increases year-over-year from last fiscal to this fiscal year would have given the image of much greater increases to the sector (given that the figures for 2005/06 do not include Supplementary Estimates and that additional spending was passed through Special Warrants, which were included in the 2006/07 Main Estimates). To give a more accurate picture of changes in expenditure levels, the last two columns of the table show the increases/decreases in funding between the current fiscal year (2006/07) and the previous two fiscal years (2004/05, which includes Supplementary Estimates, and 2005/06, which does not).

A Modest Rise in Overall Funding Levels

As the table shows, virtually all organizations experience slight increases in funding between this fiscal year's Main Estimates (2006/07) and those of the previous two fiscal years. As noted above, the increases appear greater between last fiscal year and the current year, given that last fiscal year does not include Supplementary Estimates expenditures. As the final two cells in the bottom row show, funding levels for the organizations listed in the table collectively increase 4.8% from 2004/05 levels, and 8.1% from 2005/06 levels (this latter increase must be interpreted with caution given the lack of Supplementary Estimates expenditures in 2005/06).

It should be noted that additional expenditures may accrue to the organizations shown in the table if and when the Harper Government tables Supplementary Estimates. Sources in the Department of Canadian Heritage suggest that Supplementary Estimates will be forthcoming in late fall. If this occurs, the increases in overall funding levels may be larger than the table currently shows.

Subsequent sections of this document examine in greater detail the changes in funding levels to each of these organizations. For now, this "big picture" view reveals that percentage funding increases vary from organization to organization, with the greatest percentage increases accruing to the Department of Canadian Heritage, the Canada Council for the Arts, the Canadian Broadcasting Corporation and Library and Archives Canada². The National Arts Centre, the Canadian Museum of Civilization, the Canadian Museum of Nature, and the Museum of Science and Technology all experience lesser than average

² The decrease in funding for Library and Archives between 2004/05 and 2006/07 represents organizational transition costs incurred by the organization during its amalgamation period (Library and Archives was created through the merger of the National Library of Canada and the National Archives of Canada).

funding increases between 2005/06 and 2006/07.³ The National Gallery of Canada sees its budget increase, although the increase is relatively greater as measured between 2006/07 and 2004/05 than between 2006/07 and 2005/06. Both the National Film Board and Telefilm Canada experience funding declines over 2004/05 levels and slight increases over 2005/06 levels.

³ As discussed in a subsequent section of this analysis, the latter three organizations show funding declines – sometimes drastic funding declines – between 2004/05 and 2006/07. These declines owe to one-time expenditure increases in 2004/05 for capital projects.

The Department of Canadian Heritage

The Canadian Heritage Portfolio includes the Department of Canadian Heritage, five departmental agencies (including Library and Archives Canada, the National Film Board, and the Canadian Radio-television and Telecommunications Commission) and nine Crown Corporations (including 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). In addition to National Headquarters in Ottawa, the Department maintains regional offices in the West, Prairie Provinces and the North, Ontario, Québec, and Atlantic Canada.

As shown in Table 1 of the previous section, the Department's funding levels rise in fiscal year 2006/07 as compared to 2005/06 and 2004/05. In 2004/05, total funding stood at \$1,271.4 million. In 2005/06, the Department received a total of \$1,245.2 million. This fiscal year's Main Estimates allocate \$1,384.6 in funding to the Department. As noted above though, this figure must be interpreted with caution as it includes funding accruing to the Department via Governor General's Special Warrants, therefore the year-over-year funding increase of 11.2% from 2005/06 to 2006/07 must be interpreted with care. Having said this, *the rise in funding from 2004/05 to 2006/07 is a fairly large increase, and represents an 8.9% growth in funding levels between the two years.*

The following section of this budget analysis undertakes a detailed examination of funding levels to key departmental programs. This section takes an overall view of the Department's strategic outcomes and key program activities. In response to new Treasury Board requirements, in 2005/06 the Department significantly restructured the way it conceives of and reports on its activities. Last year's Budget Analysis undertook a detailed examination of these changes. The Department continues to employ this reporting template, which involves Strategic Outcomes, Program Activities related to the pursuit of the Strategic Outcomes, and Program Sub-Activities (Program Sub-Activities are more detailed program activities in pursuit of Strategic Outcomes).

Table 2 on the following page shows this reporting structure. As the table reveals, the Department maintains two Strategic Outcomes, the first related to sharing and expressing cultural experiences, and the second focusing on social inclusion and citizen participation. The second column shows the Program Activities related to both of these Strategic Outcomes. There are seven Program Activities (Canadian content and performance excellence; cultural expression/participation; heritage preservation; access/participation; inter-cultural understanding; community development/capacity building; and community/civic participation), each of which is then further broken down into more detailed Program Sub-Activities (key cultural sub-sectors such as arts, cultural industries, and heritage) and Program Sub-sub activities (specific programs in each of these sectors).

The final two columns of the Table show expenditures in each of the Department's Strategic Outcomes and Program Activities for fiscal years 2005/06 and 2006/07.⁴ The table reveals that the greatest expenditure increase accrues to the second Program Activity, "Sustainability of cultural expression and participation." Funding to this Program Activity almost doubles from \$141.6 million to \$281.9 million. As will be discussed in the following section, the lion's share of this increase is directed to sport, notably the Games' Hosting Program. Other significant increases accrue to the first and seventh Program Activities. "Canadian content and performance excellence" increases from \$245.1 million to \$297.9 million and "Participation in community and civic life" increases from \$134.6 to \$207.9 million. This expenditure growth again accrues mostly to sport via the Sport Support Program. The only Program Activity experiencing a decline in funding is "Community development and capacity building," which decreases from \$258.6 million to \$240.8 million.

⁴ Figures from fiscal year 2004/05 are not available given that the Department only adopted this new management framework in 2005/06. In addition, while last year's Budget Analysis showed planned spending for future fiscal years as well as the allocation of human resources across Strategic Outcomes and Program Activities, this data is not yet available for the current fiscal year (staffing levels and expenditure projections only appear in Part III of the Estimates, the Department's *Report on Plans and Priorities*, which has not yet been tabled).

The proportion of funding to each of the Strategic Outcomes holds relatively steady between 2005/06 and 2006/07, with more than half of the Department's spending dedicated to Strategic Outcome 1, the expression and sharing of cultural experience. The bulk of departmental spending on arts, heritage, and cultural industries is undertaken as part of this first Strategic Outcome. As the table shows, the proportion of funding accruing to the second Program Activity, "Sustainability of cultural expression and participation," has grown, notably with additional contributions to sport.

Of the expenditures targeting the Department's second Strategic Outcome, Budget 2006 directs relatively more spending towards the seventh Program Activity, "Participation in community and civic life," with aboriginal programs emerging as one of the main beneficiaries of the increase.

Table 2 – Department of Canadian Heritage: Program Activity Architecture

Strategic Outcomes	Program Activities	Program Sub-Activities	Examples of Program Sub-sub activities	Main Estimates \$millions	
				2005/06	2006/07
Strategic Outcome 1: Canadians express and share their diverse cultural experiences with each other and the world	Canadian content and performance excellence	Arts & Cultural Industries	Canadian Television Fund; Content Development component of Canada Music Fund, Canada Magazine Fund, Book Publishing and New/Interactive Media	245.1	297.9
		Sport	Athlete Assistance; Sport Support and Hosting		
	Sustainability of cultural expression and participation	Arts & Cultural Industries	Support for the arts sector; Capacity-Building component of Canada Music Fund and Film & Video Sector; Industry Development Component of Book Publishing and Canada Magazine Fund	141.6	281.9
		Heritage	Canadian Heritage Information Network; Support to Heritage Institutions and Organizations		
		Sport	Vancouver 2010; Multi-Sport Major Games; Canada Games		
	Preservation of Canada's heritage	International	Trade Routes; TV5; International Francophonie; International Norm & Standard Setting; Capacity-Building & Cooperation	35.5	36.7
		Heritage	Feature Film Preservation and Access; Canadian Music Preservation and Access; Canadian Conservation Institute		
	Access and participation in Canada's cultural life	Aboriginal Living Cultures	Aboriginal Languages and Cultures; Aboriginal Broadcasting	188.9	200.5
		Arts & Cultural Industries	Arts in Communities; Book Publishing Supply Chain Initiative; Publications Distribution Assistance; Canada Music Fund Collectives Initiative		
		Heritage	Canadian Cultural Heritage Online; Exhibitions and Collections; Movable Cultural Property		
Total Strategic Outcome 1				611.1	817.0

Strategic Outcome 2: Canadians live in an inclusive society built on inter-cultural understanding and citizen participation	Promotion of inter-cultural understanding	Official Languages	Promotion of linguistic duality; Second-Language Learning	113.9	119.0
		Multiculturalism	Multiculturalism		
		Sport	Sport		
	Community development and capacity building	Aboriginal Partners	Aboriginal organizations	258.6	240.8
		Official Languages	Community life, Minority-Language Education		
	Participation in community and civic life	Multiculturalism		134.6	207.9
		Aboriginal Communities	Aboriginal Youth, aboriginal Women		
		Citizen Participation	Canada Volunteerism Initiative		
		Sport	Sport participation development; North American Indigenous Games; Arctic Winter Games		
		Youth	Exchanges Canada; Katimavik; Young Canada Works		
Celebration	Celebration, Commemoration and Learning				
International	International Expositions				
Total Strategic Outcome 2				507.1	567.7
TOTAL DEPARTMENT				1,118.1	1,384.6

Sources Department of Canadian Heritage Website, 'Department of Canadian Heritage, 2005-2006 Strategic Framework and Program Activity Architecture,' http://www.canadianheritage.gc.ca/pc-ch/org/mission/paa_table_e.cfm, Accessed 10 May 2006; Department of Canadian Heritage, *2005-2006 Estimates, Part III: Report on Plans and Priorities*, 'Department of Canadian Heritage: Program Activity Architecture,' pp. 8-10; 'Canadian Heritage Accountability Structure: Detailed Table,' pp. 87-88; and Table 1: Departmental Planned Spending and Full Time Equivalents, pp. 90-91; and Government of Canada, *2006-2007 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*;

Note: Totals may not add due to rounding.

Developments Across Cultural Subsectors

The table below shows funding in fiscal years 2005/06 and 2006/07 across key grants and contributions at the Department of Canadian Heritage. The paragraphs that follow examine these expenditures and highlight key developments across the arts, heritage, and cultural industries subsectors. Expenditures in the areas of sport, official languages and aboriginal programs are also examined, as are key tax measures introduced in Budget 2006.

Table 3 – Department of Canadian Heritage: Selected Grants and Contributions, 2005/06 to 2006/07 (dollars)

Grant/Contribution	2005/06 Main Estimates	2006/07 Main Estimates
Arts and Heritage Sustainability Program		
Capacity Building	5,854,997	6,310,043
Endowment Incentives	15,500,000	14,884,420
Stabilization Funds	4,026,436	626,760
Networking Initiatives	-	1,000,000
Arts Presentation Canada Program	22,642,028	21,418,998
Cultural Capitals of Canada	2,000,000	3,862,680
Cultural Spaces Canada Program	27,672,259	26,901,423
National Arts Training Contribution Program	16,172,750	15,903,920
Museums Assistance Program	11,730,350	12,023,284
Canadian Television Fund	99,550,000	99,550,000
Canadian Culture Online	8,500,000	12,245,951
Canada New Media Fund	8,150,000	14,132,000
Partnerships Fund	8,200,000	-
Book Publishing Industry Development Program	38,368,948	30,094,798
Canada Magazine Fund	9,652,000	16,067,998
Publications Assistance Program	41,400,000	45,400,000
Sport Grants & Contributions		
Athlete Assistance Program	27,000,000	27,000,000
Sport Support Program	36,074,345	97,825,345
Games' Hosting Program	19,165,000	153,585,000
Official Languages		
Enhancement of Official Languages Program	103,943,510	109,219,110
Development of Official Language Communities Program	219,842,501	213,200,870
Aboriginal Programs		
Aboriginal Peoples' Program	30,295,707	61,806,262

Sources: Government of Canada, *2006-2007 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *2005-2006 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*.

Arts

TOMORROW STARTS TODAY. As discussed in last year's Budget Analysis, the previous government renewed this flagship program for five years at a level of \$172 million per year. Total funding was to amount to \$860 million over five years (2005/06 to 2009/10), with an additional \$20 million per year accruing to the program through internal reallocation (the Department has been internally reallocating \$20 million per year to fund the program since its inception). While in the main, funding levels to *Tomorrow Starts Today* programs remain steady compared to last fiscal year, the fate of future *Tomorrow Starts Today* funding is less clear. Following the previous government's renewal announcement, departmental officials secured the necessary commitments from the Treasury Board to integrate the renewal into the government's fiscal framework. Notwithstanding this, the new government can decide to change the fiscal framework and cancel program renewals if it so chooses. Parliament only approves expenditures on an annual basis through the Main and Supplementary Estimates process. Longer term expenditure commitments will appear in the Budget, as they did this year for the Canada Council (see below). *In the absence of explicit mention of Tomorrow Starts Today's funding in the budget documents, however, long term funding of the program is not guaranteed. This was a risk the CCA raised in last year's Budget Analysis, noting that a new government would not be bound by a previous government's long-term commitments.*

As mentioned in last year's Budget Analysis, the precise distribution of *Tomorrow Starts Today* funding across the various funding components remains quite unclear. **The CCA would like to reiterate its suggestion that the Department of Canadian Heritage prepare an annual report on *Tomorrow Starts Today* expenditures and administration (program functioning, outcomes, key changes and developments, etc...).** This would be a welcome step towards greater transparency of *Tomorrow Starts Today* funding and administration.

As shown in Table 3, funding to the various program components of *Tomorrow Starts Today* remains relatively steady, although there are a few notable exceptions as explained in what follows.

The objective of the **Canadian Arts and Heritage Sustainability Program** (CAHSP) is to 'strengthen organizational effectiveness and build capacity of arts and heritage organizations.'⁵ CAHSP is comprised of a number of components. The Capacity Building component funds arts and heritage organizations operating in areas without stabilization funds. The funds aim to improve organizational effectiveness. Through Endowment Incentives, the government supports arts organizations in establishing endowment funds by providing matching funding for private donations. Stabilization Funds assist local arts and heritage organizations through funding to nonprofit organizations at the community level. 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.'⁶ In the lead-up to this year's Budget, the department reallocated funding within the CAHSP (totally CAHSP funding remains level). Funding to the first two CAHSP components remains steady. In the area of Stabilization Funds, the department anticipated a much lower rate of applications and reduced the funding to this component accordingly. It shifted these funds to the Networking component, as well as to the Cultural Capitals of Canada program as discussed below (in formal terms, this latter program is part of CAHSP, but for operational and communications purposes is treated as a separate program).

Funding levels for the **Arts Presentation Canada Program** hold relatively steady from last fiscal to this fiscal year. 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.'⁷

The objective of the **Cultural Capitals of Canada** program is 'to promote the arts and culture in Canadian municipalities, through recognition of excellence and support for special activities that celebrate the arts

⁵ Department of Canadian Heritage website.

⁶ Ibid.

⁷ Ibid.

and culture and integrate them into overall community planning.⁸ The winners of the Cultural Capitals of Canada (2006) competition were: Saskatoon, Saskatchewan; St. John's, Newfoundland and Labrador; Saint-Joseph-de-Beauce, Québec; District of West Vancouver, British Columbia; and Wikwemikong, Ontario. In this year's budget, funding to Cultural Capitals has increased from \$2,000,000 to \$3,862,680. In 2005/06, contribution maximums were increased from \$500,000 to \$2,000,000 for municipalities with populations over 125,000 (1 winner per year), from \$500,000 to \$750,000 for those with populations between 50,000 and 125,000 (1 winner per year), and from \$250,000 to \$500,000 for municipalities with populations under 50,000 (2 winners per year).

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'.⁹ 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 holds steady in this year's budget.

The **National Arts Training Contribution Program** (NATCP) provides support for 'independent, non-profit, incorporated, Canadian organizations which train Canadians for professional national/international artistic careers'.¹⁰ Under the previous government, the NATCP was to receive a top-up in funding of \$2 million in 2006-2007, \$4 million in 2007-2008 and \$6 million in 2008-2009. The new government has not followed through on these funding increases: funding to the program in the Main Estimates holds steady at roughly \$16 million. *Sources in the Department do not seem optimistic that NATCP funding levels will increase in the near future.*

Canada Council for the Arts The government announced a two-year increase in Canada Council funding in Budget 2006. Funding for fiscal year 2006/07 increases by \$20 million to \$170.4 million, and the government committed to further increasing the Council's funding by an addition \$10 million in 2007/08, bringing total funding to \$180.4 million. While this is certainly welcome news for the Council, it is less generous than commitments made under the previous government. In November 2005, the previous government announced an intended \$306.5 million increase to Canada Council funding (\$56.5 million in 2006/07, \$100 million in 2007/08 and \$150 million in 2008/09). Unfortunately, the new government opted for a lesser funding increase and for a two year period only. Nonetheless, the increased funds are certainly welcome news for the sector, and, as Canada Council chair Karen Kain points out, 'recognition of the value and importance of the arts to the quality of the lives of Canadians and their communities'.¹¹ The Canada Council will be celebrating its 50th anniversary in 2007. ***As noted in last year's Budget Analysis, the CCA would welcome a government decision to substantially – and permanently – increase to the appropriate level the Council's funding in its 50th anniversary year.***

Funding to the **National Arts Centre** increases slightly in 2006/07 to a total of \$33.3 million as compared to \$31.2 million in 2005/06 and \$32.4 million in 2004/05 (see Table 1). The NAC, too, was to receive additional funding under the previous government (\$1.5 million in 2006/07, \$2 million in 2007/08 and \$3 million in 2008/09), but Budget 2006 is silent on these increases – the new government has not followed through on the previous government's commitments. As shown in Table 1, funding to the **National Gallery** also grows modestly to a total of \$46.6 in 2006/07 (as compared to \$44.5 million in 2005/06 and \$44.2 million in 2004/05).

Arts Promotion Program. This Foreign Affairs Canada program provides funding to Canadian groups and individuals 'for the promotion of Canadian culture abroad'.¹² The program is part of Foreign Affairs' public diplomacy activities, and in this year's Main Estimates, grants in aid of cultural relations are funded at a level of \$7.9 million (this represents an increase of over \$3 million from the 2005/06 Main Estimates).

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Canada Council website.

¹² Foreign Affairs Canada website.

Heritage

Museums The **Museums Assistance Program** provides funding to museums and other institutions in a number of priority areas: 'projects that tell Canada's story of the cultural and natural heritage diversity and promote Canada-wide perspectives (travelling exhibitions, outreach activities, collaborative initiatives, partnerships, etc...), projects that foster and support Aboriginal heritage activities, and those that strengthen the overall organizational capacity of museum institutions.'¹³ Funding to the program held relatively steady at \$12 million in this year's Main Estimates. *As the Canadian Museums Association has often pointed out, however, the program is significantly underfunded relative to previous years: a 2001 Canadian Museums Association analysis found that the program should receive additional funding of \$30 million in 1972 dollars just to keep pace with inflation.*

The Canadian Museums Association (CMA) was disappointed that a new Museums Policy did not figure among the new government's key agenda items for the cultural sector and SO was not surprised that Budget 2006 did not contain new investment in museums. The CMA was one of the first organizations in the cultural sector to meet with the new Minister of Canadian Heritage, and says it will continue to work with the Minister to develop a new federal museums policy – including a new funding approach for museums of an additional \$75 million annually. The new policy has been in the works for a number of years now but it does not seem likely that it will be forthcoming soon. When the Minister of Canadian Heritage appeared before the Standing Committee on Canadian Heritage in early June, she stated that the policy is "under review" and that it would not be coming in the near future. **The CCA fully supports the adoption of the new Museums Policy and the funding that must support its implementation.**

As shown in Table 1, funding to the **Canadian Museum of Civilization** and the **National Museum of Science and Technology** decreases significantly as compared to fiscal year 2004/05. *The steep declines to both organizations owe to the conclusion of significant capital projects in recent times* (reductions to the Museum of Civilization owe to construction of the War Museum, while declines to the Science and Technology Museum owe to construction of new buildings for the National Aviation Museum). Following conclusion of the spending related to these projects, funding levels hold level at approximately \$60 million for the Canadian Museum of Civilization and \$25 million for the National Museum of Science and Technology.

Increases in funding to the **Canadian Museum of Nature** owe mainly to renovations underway at the Victoria Memorial Museum Building. Renovations commenced in 2004 and are being undertaken in phases until 2009. The renovated building will feature new infrastructure and environmental controls. During the renovation period, some portions of the museum are not open to the public and admission fees are being collected by donation.

Library and Archives Canada Library and Archives Canada was established in 2004 with the integration of the National Library of Canada and the National Archives of Canada. As Table 1 shows, expenditures have been somewhat 'lumpy' over the past three fiscal years, owing in large part to the organizational transition costs associated with creating the new institution. In 2006/07, funding levels stood at \$109.1 million, with new funding allocated to collection development, description, and care, and to the **Portrait Gallery of Canada**. Established in 2001, the Portrait Gallery's 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.'¹⁴ Funding to the Gallery increases from \$157,000 in 2005/06 to \$4.9 million in 2006/07, largely to support the renovation and construction required for the Gallery's accommodations at 100 Wellington Street. The Gallery is slated to open in 2007 but recent reports support the fear that the project will be mothballed altogether.

¹³ Department of Canadian Heritage website.

¹⁴ Portrait Gallery of Canada website.

Cultural Industries

Broadcasting and Audiovisual Production

Canadian Television Fund. The Canadian Television Fund (CTF) is financed through public and private funding and seeks to stimulate Canadian television program financing and broadcasting. Its level of funding holds steady at \$99.55 million.

Canadian Broadcasting Corporation. Table 1 shows a modest increase in funding for the CBC to \$1,112.0 million in 2006/07. While the Corporation received a 'top-up' to its funding in Budget 2005, increases this year have been incorporated into the Main Estimates. The increases accrue to television services, radio services, as well as transmission and distribution of programs. The Conservative government may soon undertake a mandate review of the CBC. According to the government, it will not allocate additional funding to the organization until this review is completed and priorities for CBC programming are ascertained. The Standing Committee on Canadian Heritage has expressed a strong interest in participating in the mandate review, and has passed a motion calling on the Minister of Canadian Heritage to give the Committee the opportunity to review and suggest modifications to the mandate review terms of reference.

Canadian Culture Online. Canadian Culture Online (CCO) is a component of the Department of Canadian Heritage's strategy to 'encourage a uniquely Canadian presence on the Internet.'¹⁵ CCO funding increased from \$8.5 million in 2005/06 to \$12.2 million in 2006/07. CCO funding programs seek to 'provide meaningful and seamless access to content that helps deepen an understanding of Canada and its rich diversity.'¹⁶ Among these is the *Canada New Media Fund*, administered by Telefilm Canada. The Fund aims 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.'¹⁷ Expenditures on the *Canada New Media Fund* increase substantially over last fiscal year, from \$8.2 million to \$14.1 million. This increase is more apparent than real, however, as sources in the department indicate that funding levels have remained steady over last fiscal year and reflect a two-year funding agreement between the department and Telefilm Canada (the lack of Supplementary Estimates in 2005/06 likely account for this apparent increase).

The *Partnerships Fund* supports public-private-civic partnership projects that '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.'¹⁸ While this year's Main Estimates appear to be eliminating the *Partnerships Fund*, sources within the department indicate that the fund is continuing at the same funding level as last fiscal year (it is expected that expenditures will be attributed to the fund in the Supplementary Estimates).

As Table 1 shows, funding to the **National Film Board** holds quite steady compared to funding levels in the last two fiscal years (\$64.8 million in 2006/07 compared to \$66.8 million in 2004/05 and \$62.9 million in 2005/06). **Telefilm Canada** funding also holds relatively steady: \$125.0 million in 2006/07, compared to \$123.9 million in 2005/06 and \$128.3 million in 2004/05).

Publishing

Book Publishing. Budget 2006 brings substantial funding declines to book publishers via the **Book Publishing Industry Development Program (BPIDP)**. BPIDP seeks to 'ensure choice of and access to Canadian-authored books that reflect Canada's cultural diversity and linguistic duality in Canada and

¹⁵ Department of Canadian Heritage website.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

abroad'¹⁹ through support to the Canadian book publishing industry. The Program is comprised of four components: Aid to Publishers (funding to publishers for production and promotion of Canadian authored books), Supply Chain Initiative (to bolster and improve the supply chain for books in Canada), Collective Initiative (capacity building for the book industry as a whole), and International Marketing Assistance (funding to support export sales). Over the last few years, BPIDP has received an \$8 million top-up to its funding through the *Tomorrow Starts Today* program. This year, the top-up does not appear in the Main Estimates: funding drops from \$38.4 million in 2005/06 to \$30.0 million in 2006/07. Sources in the department indicate that the program will receive the top-up in this year's Supplementary Estimates. In the meantime, BPIDP, which disburses its funds early in the fiscal year, will receive the top-up through an internal departmental reallocation.

Periodical Publishing. The two major sources of funding for periodical publishers are the Canada Magazine Fund (CMF) and the Publications Assistance Program (PAP). The former funds editorial costs, business development for small magazine publishers, industry development, and arts and literary magazines. The appearance of a funding increase may be more apparent than real: as last year's Budget Analysis revealed, the CMF was anticipating additional funding to be forthcoming in the 2005/06 main estimates to boost its level of funding to \$16 million (the total funding level in 2004/05). If this amount is "shifted" from fiscal year 2006/07 to 2005/06, the CMF is actually experiencing a funding decline. It remains to be seen whether additional funds will accrue to the CMF via Supplementary Estimates.

A similar story can be told for the **Publications Assistance Program**, which helps to offset mailing costs for periodical publishers. As reported in last year's Budget Analysis, for fiscal 2005/06, total planned spending was \$45.4 million (\$41.4 million in the 2005/06 Main Estimates, plus another \$4 million to come in the 2005/06 Supplementary Estimates). Given that the Supplementary Estimates were never passed by Parliament in 2005/06, the additional \$4 million appears to have been "shifted" to 2006/07, and it will remain to be seen whether additional funds will accrue to the program via Supplementary Estimates in this fiscal year. In a context of ever-increasing postal rates, adequate funding of the *Publications Assistance Program* is of crucial importance. Indeed, ***in light of a recent study suggesting that Canada Post Corporation enjoys a 32% margin on its magazine delivery business, the CCA joins the Canadian Magazine Publishers Association and questions how this can be consistent with government policy of making Canadian content available to Canadians.***

Other Expenditures

Sport. As Table 3 shows, funding directed to sport increases substantially in this year's Main Estimates. The two key programs benefiting from these increases are the **Sport Support Program (SSP)** and the **Games' Hosting Program**. The Sport Support Program provides funding to national sport organizations, multisport service organizations (that provide support to eligible national sport organizations), and to organizations active in a number of priority areas (including information sharing, sport promotion, and research). Funds for the SSP more than doubles from \$36.1 million in 2005/06 to \$97.8 million in 2006/07. The Games' Hosting Program supports 'sport organizations or organizing committees to host international sport events or the Canada Games in Canada.'²⁰ Funding to the Hosting Program increases by almost eight times, rising from \$19.2 million in 2005/06 to \$153.6 million in 2006/07.

Official Languages. Grants and contributions to promote Canada's official languages and to support official language minority communities hold quite level in fiscal year 2006/07. The Enhancement of Official Languages Program funding levels rise from \$103.9 million to \$109.2 million, while funding to the Development of Official Language Minority Communities declines from \$219.8 million to \$213.2 million.

Aboriginal Initiatives. *Funding to the Aboriginal Peoples' Program grows substantially in this year's Main Estimates, more than doubling from \$30.3 million in 2005/06 to \$61.8 in 2006/07.*

¹⁹ Ibid.

²⁰ Ibid.

Tax Measures

Budget 2006 includes a number of tax measures with potential effect on the cultural sector.

Charitable giving changes Budget 2006 announced measures to stimulate charitable giving. Specifically, the Budget eliminates the tax on capital gains on listed publicly traded securities donated to registered charities. With this new measure in place, the donor's share of the cost of their donation drops to 40% (the corresponding figure prior to the change was 47%). The government is considering extending these rules to donations to private foundations as well and will be undertaking consultations in an attempt to develop suitable rules to ensure that conflict of interest is avoided (i.e., avoiding self-dealing for donors who have significant holdings of a corporation and also have influence on the management of a foundation's holdings of the same corporation).

In the days immediately following the Budget's release, the Minister of Canadian Heritage stated that significant new funding is flowing to the cultural sector as a result of this tax change. In the House of Commons on May 30th, she stated that her "unofficial count" indicated that \$60 million has been donated to the cultural sector following the change. Two days later, in her June 1st appearance before the House of Commons Standing Committee on Canadian Heritage, this "unofficial" figure had jumped to \$85 million. The CCA questions where the Minister obtained these figures and has been following up with her office to ascertain the source – so far without success. *While it would certainly be good news for the sector if this tax change is indeed resulting in such significant donations to the sector, the CCA wonders whether the new funding (regardless of level) is benefiting all cultural organizations equally, or only larger established bodies.* The CCA also notes that in pre-budget consultations, Minister of Finance Jim Flaherty alluded to the need for the cultural sector to work actively to attract its share of new donations. Minister Flaherty stated that in the wake of similar tax changes in 1997, the cultural sector had benefited the least. **Given the significant competition for private donations between various sectors (health, universities, cultural organizations, etc...), the CCA would welcome additional incentives to attract private funding to the cultural sector.**

Other tax changes Reducing the **Goods and Services Tax** by one percentage point was one of the Conservative government's five priorities upon being elected to office. Budget 2006 followed through on this election promise, despite a majority of organizations and of Canadians being apparently opposed to the measure. The implications of this tax cut for the cultural sector are likely to be mixed. On the one hand, reducing the GST may reduce operating costs for the sector and reduce the costs to Canadians of purchasing cultural goods and services. On the other hand, decreasing the GST reduces the amount of tax collected by the government, potentially reducing the amount of government funding available to the cultural sector. It can also result in costly administrative expenses for arts and cultural organizations, which must reconfigure sales and accounting systems to take into account the reduced tax rate. For small organizations, these costs can be quite burdensome.

Budget 2006 also includes a **tax credit** for parents' expenditures on physical activities for their children (up to \$500). In the pre-budget period, the CCA called on the government to extend this tax credit to arts and cultural activities. While Finance Minister Flaherty showed some interest in this concept during pre-budget consultations, the government ultimately did not heed the recommendation in Budget 2006. The Minister also showed interest in the long-standing CCA proposal, recently supported by the Canadian Council of Chief Executives in their document "*From Bronze to Gold*", **that revenue from copyright be exempt from income tax, at least up to a certain maximum as done in Québec and, so successfully, in Ireland. The CCA will continue to advocate for this change.**

Tax credits for work expenses and for tools of the trade also appear in Budget 2006. The Canada Employment Credit is a new tax credit for employees that incur work-related expenses (\$500 for 2006 increasing to \$1,000 for 2007). A \$500 credit will also be implemented for tradespeople that must purchase tools as a condition of their employment (the credit applies to expenses over \$1,000). While the first credit will likely benefit those working in the cultural sector, it is not yet clear whether the interpretation of "tradespeople" will include those in the cultural sector. **CCA will maintain a watching brief on this issue.**

Varia: Other Current Developments

Federal Accountability Act. The Federal Accountability Act was the first piece of legislation tabled by the new government. The Act contains a host of measures intended to strengthen accountability in government, including greater transparency and tighter rules around lobbying, strengthened financial management procedures and controls, enhanced protection for whistleblowers, clearer accountability of Ministers and Deputy Ministers, and greater openness and transparency in government appointments. One of the key pieces of the Action Plan related to the Federal Accountability Act is a review of grants and contributions. An Independent Blue Ribbon Panel on grants and contributions has been established (the members are Frances Lankin, President and Chief Executive Officer, United Way of Greater Toronto; Ian Clark, President and Chief Executive Officer, Council of Ontario Universities; and Marc Tellier, President and Chief Executive Officer of the Yellow Pages Group). The Panel is reviewing grants and contributions administration with a view to eliminating unproductive rules and procedures, identifying barriers to access for applicants and recipients, and developing a balanced approach to oversight. The Panel is to report to the President of the Treasury Board in December 2006. **This review is welcome news for the cultural sector and is on the CCA radar, given the range of federal grants and contributions in the arts, heritage and cultural industries sub-sectors and the growing financial burden recipient organizations face in reporting to government on the funds they receive.**

Expenditure Reallocation. Budget 2006 continues the practice put in place under the previous government of reallocating \$1 billion of expenditures annually as a means of supporting each year's budget. The President of the Treasury Board is responsible for this \$1 billion annual reallocation and departments have been provided with reallocation targets to achieve. **While in the past, the Department of Canadian Heritage has indicated that expenditure reallocation will not affect the level of funding to program recipients, the CCA questions what the implications will be for program administration and wonders how this approach can be sustainable in the long term.**

UNESCO International Convention on the Protection and Promotion of the Diversity of Cultural Expression. In October 2005, the members of the UNESCO member countries adopted the International Convention on the Protection and Promotion of the Diversity of Cultural Expression. The Convention recognizes the distinctive nature of cultural goods and services, and affirms countries' rights to adopt policy measures to support cultural expression. Canada played a leadership role in this international policy initiative, and was the first to accept the Convention domestically one month later in Montreal, on November 23, 2005. Then Prime Minister Paul Martin called on all UNESCO Member States to ratify the Convention, which requires ratification by at least 30 UNESCO Member States in order to come into force. While the Minister of Canadian Heritage states that her government supports the Convention, a recent debate in the House of Commons following a motion by Liberal MP Mauril Bélanger raises certain questions. The Bélanger motion calls on the government to maintain current Canadian content requirements, foreign ownership restrictions, and support for public broadcasting. Debate leading up to the vote on the motion suggests the Harper government may be less inclined to support the Convention – and broadly speaking, cultural policy. While the motion received majority support in the House of Commons, Conservative MPs voted against it, and many Conservative MPs' interventions during the debate fundamentally questioned Canada's current cultural policy framework (see the June 26, 2006 CCA Bulletin, "Late Spring Echoes from the Hill" available on the CCA website).

Reports of the Standing Committee on Canadian Heritage. In its first days of the new Parliament, the Standing Committee on Canadian Heritage voted in favour of adopting the Lincoln Report on broadcasting (Our Cultural Sovereignty: The Second Century of Canadian Broadcasting) and the Committee's feature film report (Scripts, Screens and Audiences: A New Feature Film Policy for the 21st Century) as reports in this session of Parliament. The Committee also voted in favour of requesting that the government prepare a comprehensive response to these reports within 180 days.