

Budget 2015:

Culture and Arts

Still A Low Priority for the Government

**Annual Analysis of the Federal Budget
From the Perspective of the Cultural Sector**

Prepared for the
Canadian Conference of the Arts
Canadian Arts Coalition
Saskatchewan Arts Alliance

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(Estimates for the Department of Canadian Heritage and Selected Cultural Agencies and Crown Corporations, Total of Main Estimates and Supplementary Estimates for Fiscal Year 2014-15)

EXECUTIVE SUMMARY

This budget analysis examines federal funding for the arts and culture in the 2015 federal budget. It explores funding to the Department of Canadian Heritage and other federal cultural agencies and crown corporations; organizational and funding trends at the Department of Canadian Heritage; expenditures on key programs across the arts, heritage and cultural industries, and other developments affecting the sector.¹

Four main findings emerge from the analysis.

First, there was no dire news in Budget 2015. In fact, for the first time since 2012, funding levels remained relatively steady compared to last fiscal year. The funding cuts announced in 2012 were fully rolled out in 2014-2015 and continue to have an impact on the sector, most notably in the audiovisual sector. Budget 2015, however, saw no major cuts and the total expenditures for the Department of Canadian Heritage and other federal cultural agencies and crown corporations remain within a 1.4% variance of the previous year's expenditures.

Second, nonetheless, the arts and culture do not appear to be a key priority for the government. The Canadian Arts Coalition's calls for increased funding to the Canada Council for the Arts went unheeded. While the government has protected funding to the Canada Council over the last number of years, on a per capita basis, funding to the Council has declined (between 2005-06 and 2015-2016, a decline of 8.3%). In addition, as was the case last year, despite the government's emphasis on jobs and economic growth in its budgets, investing in job creation and growth in the cultural sector does not seem to be on the government's radar.

Third, where the government does invest in activities related to culture and the arts, it is often in connection with other priorities, like celebrating the 150th Anniversary of Confederation in 2017 and commemorating Canada's military history. Budget 2015 allocated some \$210 million over four years to celebrate Confederation's 150th anniversary. The government also committed \$110.5 million in capital funding to the NAC to upgrade its performing halls and build a glass atrium and a new entrance to the Centre in time for 2017. In addition, it created the Canada 150 Community Infrastructure Program, which is investing \$150 million over two years to rehabilitate existing community facilities across the country, some of which one hopes will go towards cultural infrastructure. Total funding thus far for the 150th celebrations amounts to \$470.5 million.

While this is a significant sum, the arts are far from front and centre in the government's plans for the anniversary celebrations. This stands in contrast to the celebration of Canada's centennial in 1967, when the arts were at the core of the celebrations and the government commissioned new works. In addition, this time around, the sector is eligible to apply for Canada 150 funding, but the

¹As many readers will know, the Canadian Conference of the Arts prepared the annual budget analysis up until the suspension of its activities in 2012. Following this, its caretaker board of directors initially passed the 2013 budget analysis baton to the Canadian Arts Coalition. Last year and this year again, the CCA Board teamed up with the Coalition and the Saskatchewan Arts Alliance to sponsor the 2015 Budget Analysis.

scope and extent of funding available is far less robust than for the Centennial. Indeed, the House of Commons Standing Committee on Canadian Heritage noted the following with regard to the Centennial celebrations:

"By 1964, the federal government had earmarked approximately \$100 million (about \$743.6 million in 2012 dollars²) for projects related to the Centennial, including the construction of the National Library and Archives and the National Arts Centre. Also included in this amount was \$25 million (\$185.9 million in 2012 dollars) for the Centennial Grants Program, which was to fund projects of lasting significance. By 1967, more than 2,000 projects had been completed."³

Moreover, rollout of the new funding programs is rather tight, making it challenging for applicants to develop interesting rigorous projects. All told, the amounts are considerably smaller than the sums dedicated to the 1967 celebrations and details are only trickling in as we get nearer and nearer to the day.

In lieu of additional new money to celebrate the 150th anniversary, the government has opted for using existing budgets within the Department. For example, the Museum Assistance Program is one of the programs that the government has targeted to contribute to the celebration: the Department notes that funding priority will be given to 'exhibitions focused on history, and in particular, on the historical milestones of *The Road to 2017*'. It is interesting to note that departmental priorities for *The Road to 2017* include adapting programs and activities in the National Capital Region to build commemorative monuments (including the Memorial to the Victims of Communism and the National Holocaust Monument).

Fourth, in light of the above, it is imperative that arts and cultural organizations continue to urge the government to reinvest and make new investments in the sector. Capacity needs to be rebuilt within funding organizations and the sector itself, and support levels to federal cultural organizations and the programs they administer need to be strengthened. In addition, with the current federal election underway, now is a propitious time to advocate for support for new areas or activities in the cultural sector.

* * *

The budget analysis was prepared against this backdrop. The text proceeds in three sections. The first examines 'the big picture' of overall funding levels to key federal cultural institutions. The second delves into the Department of Canadian Heritage, examining its organizational structure, expenditures and staffing levels. The third takes a closer look at expenditures in key programs across the arts, heritage and cultural industries.

² \$775.6 million in 2015 dollars (calculated with the Bank of Canada's inflation calculator).

³ *Canada's 150th Anniversary in 2017*, Report of the House of Commons Standing Committee on Canadian Heritage, Section 2.3

<http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5614610&Mode=1&Parl=41&Ses=1&File=39&Language=E>

THE BIG PICTURE

This section examines the ‘big picture’ for the cultural sector when it comes to funding levels in Budget 2015.

Table 1 shows expenditures for the Department of Canadian Heritage and selected agencies and crown corporations in the Main Estimates documents for the period 2014-15 to 2015-16 (each organization is examined in greater detail further on in the analysis). **Budget 2015 provided an additional \$26 million in 2015-16 for a variety of heritage and sport activities, and an additional \$237 million over the 2016-17 to 2019-20 period.** These expenditures have not yet been reflected in the Main Estimates documents, so are shown separately in the second-last row of the table and are discussed at the end of this section.

The second column of the Table lists the Budget 2012 cuts, which are now fully rolled out and reflected in the spending figures in the table. Readers will recall that, with the exception of the audiovisual sector, **the cultural sector did not fare as badly as it might have feared when it comes to the Budget 2012 cuts. The government maintained funding levels to the Canada Council and federal museums, but some organizations, most notably in the audiovisual sector, sustained large cuts: the CBC (10% cut), the National Film Board (10% cut), Telefilm Canada (10%) and Library and Archives Canada (8.2%).**

The third and fourth columns of the table show, respectively, the 2014-15 Main Estimates and Total Expenditures for the 2014-15 year (the latter include expenditures in the Supplementary Estimates). The next column shows expenditures to date for 2015-16 from the Main Estimates and the first set of Supplementary Estimates (Supplementary Estimates A).

The final two columns show the increase (decrease) in expenditures between 2015-16 to date and (a) the Main Estimates 2014-15 and (b) total expenditures in 2014-15 (Main and Supplementary Estimates). Of these two columns, this analysis focuses on the second last: the difference between expenditures in the Main Estimates year over year. This is the most apples-to-apples comparison to undertake at this time.

Table 1: Spending Estimates for the Department of Canadian Heritage and Selected Cultural Agencies and Crown Corporations, 2014-15 to 2015-16 (millions of dollars)

Organization ¹	2014-2015 Spending Estimates			2015-2016 Spending Estimates to Date Main Estimates and Supplementary Estimates A ³	Increase (decrease) between 2015-2016 Estimates and...	
	Budget 2012 Ongoing Cut as of 2014-2015	Main Estimates	Total Estimates ²		Main Estimates 2014-2015	Total Estimates 2014-2015
Department of Canadian Heritage	(46.2) (3.5%)	1,390.0	1,482.2	1,253.4	(136.6) (9.8%)	(228.8) (15.4%)
Canada Council for the Arts	-	182.1	182.2	182.1	0.0 0.0%	(0.1) (0.1%)
Canadian Broadcasting Corporation	(115.0) (10.7%)	1,038.0	1,038.0	1,038.0	0.0 0.0%	0.0 0.0%
Library and Archives Canada	(9.6) (8.2%)	95.9	96.9	93.0	(2.9) (3.0%)	(3.9) (4.0%)
National Arts Centre	(1.9) (5.3%)	34.2	35.0	54.7	20.5 59.9%	19.7 56.3%
National Gallery of Canada	-	43.8	43.8	43.8	0.0 0.0%	0.0 0.0%
Canadian Museum of History	-	63.4	63.6	83.4	20.0 31.5%	19.7 56.3%
Canadian Museum for Human Rights	-	21.7	21.7	21.7	0.0 0.0%	0.0 0.0%
Canadian Museum of Immigration at Pier 21	-	9.9	9.9	7.7	(2.2) (22.2%)	(2.2) (22.2%)
Canadian Museum of Nature	-	26.1	26.1	26.1	0.0 0.0%	0.0 0.0%
National Museum of Science and Technology	-	26.9	33.2	59.1	32.2 119.7%	25.9 78.0%
National Film Board of Canada	(6.7) (10.0%)	59.9	59.9	59.7	(0.2) (0.3%)	(0.2) (0.3%)
Telefilm Canada	(10.6) (10.0%)	95.4	95.4	95.5	0.1 0.1%	0.1 0.1%
BUDGET 2015				26.0		
TOTAL	(191.1) (6.2%)	3,087.3	3,187.9	3,044.2	(43.1) (1.4%)	(143.7) (4.5%)

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

¹These organizations also generate annual revenues.

²Total expenditures in the 2014/15 Main Estimates and in 2014/15 Supplementary Estimates A, B and C. The Appendix breaks down expenditures in the supplementary estimates documents for each organization. Budget 2012 cuts for 2014-2015 are listed for information purposes and are already reflected in the spending figures for each organization.

³Only three organizations were affected by Supplementary Estimates A: Canadian Heritage (a transfer of \$1.34 million to Indian Affairs and Northern Development), an additional \$20.5 million in funding to the National Arts Centre for capital expenditures, and \$29.4 million to the National Museum of Science and Technology for capital expenditures.

Sources: Government of Canada, *2015-2016 Estimates, Parts I and II: The Government Expenditure Plan and Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *2014-2015 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Supplementary Estimates (B) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Supplementary Estimates (C) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012* (Budget 2012).

Funding Levels Held Relatively Steady between 2014-15 and 2015-16

As the second last cell in the table's bottom row reveals, **overall, funding levels remain relatively unchanged between 2014-15 and 2015-16 (down by \$43.1 million or 1.4%)**. While this amount is relatively small and some of the decline is accounted for by decreased spending for time-limited initiatives like capital projects and funding to the Pan and Parapan American Games, where there are cuts that directly hit the cultural sector (as detailed in this and subsequent sections), they are challenging for the sector to absorb.

Funding to six organizations stayed the same or virtually the same: the Canada Council for the Arts, the CBC, the National Gallery, the Canadian Museum for Human Rights, the Canadian Museum of Nature and Telefilm Canada. **Funding to two organizations declined by less than three percent:** Library and Archives (\$2.9 million, a 3.0% decline) and the National Film Board (\$0.2 million down, or 0.3% decrease).

The largest absolute decline is to the Department of Canadian Heritage, whose funding levels declined by \$136.6 million, or close to 10%. This is due primarily to declines in funding needed for the 2015 Pan and Parapan American games. **The Canadian Museum of Immigration at Pier 21 experienced the largest percentage decline** (a \$2.2 million drop, or 22.2%) due to reduced funding requirements for capital projects.

Three organizations saw significant increases to their funding for capital projects: the National Arts Centre (a \$20.5 million boost, or 59.9%), the Canadian Museum of History (\$20.0 million or 31.5%), and the National Museum of Science and Technology (\$32.2 million or 119.7%).

The following sections of this analysis discuss the specifics behind funding changes for each organization.

Budget 2015 also announced that the government will allocate \$210 million over four years (2015-16 to 2019-20) to 'support activities and events to celebrate Canada's 150th anniversary in 2017 (funding extends beyond 2017 to enable projects to be completed and reported on). The funding is broken down into three categories: Community Celebrations (\$100 million), which supports projects that are local, regional or provincial in scope, and Signature Initiatives (\$70 million) and Anchor Initiatives (\$30 million), which are national in scope (the final \$10 million is accounted for by program administration). The deadline for submitting an expression of interest for the latter two initiatives was May 29 2015, which was extremely tight, given that the program was only announced on April 23rd. This made it very difficult for applicants to put forward interesting well-developed ideas. There is no deadline for the Community Celebration component.

THE DEPARTMENT OF CANADIAN HERITAGE

This section describes the organizational and reporting structure of the Department of Canadian Heritage, along with spending and staff levels in its strategic outcome areas in the 2013-14 to 2017-18 period. Funding changes to key grant and contribution programs at the department are examined in the subsequent section.

The Portfolio of Canadian Heritage

The Ministry of Canadian Heritage is headed by the Minister of Canadian Heritage and Official Languages, the Hon. Shelly Glover (Saint Boniface in Winnipeg, Manitoba). Before becoming a Member of Parliament in 2008, Ms. Glover was a member of the Winnipeg Police Service for close to twenty years. Minister Glover is a bilingual Anglophone and Métis woman. The portfolio of Canadian Heritage also includes the Minister of State for Sport, the Hon. Bal Gosal (Bramalea-Gore-Malton, Ontario).

The Canadian Heritage Portfolio comprises the Department of Canadian Heritage and more than a dozen other cultural bodies, including two special operating agencies (the Canadian Conservation Institute and the Canadian Heritage Information Network), departmental 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, federal museums, the National Arts Centre and the Canadian Broadcasting Corporation) 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 a dozen service points across the country.

Departmental Priorities

According to the Department's 2015-16 Report on Plans and Priorities, the Department has four priorities for fiscal year 2015-16:

- *Celebrating our History and Heritage: The Road to 2017*: celebrating Canada's heritage and history in the lead-up to the country's 150th anniversary in 2017, including building commemorative monuments in the National Capital Region (including the Memorial to the Victims of Communism and the National Holocaust Monument), commemorating the two World Wars and modifying programs to put more of a focus on *The Road to 2017*;
- *Bringing Canadians Together: Investing in Our Communities*: activities here include initiatives in connection with 2015 *The Year of Sport* in Canada, the Toronto 2015 Pan and Parapan American Games, strengthening community access to local infrastructure for sport, and implementation of the *Roadmap for Canada's Official Languages 2013-18*;
- *A Prosperous Cultural Sector: Advancing Opportunities in a Global and Digital Era*: key activities here include support for programs that increase digital access to cultural content, program support to arts, cultural industries and heritage organizations to thrive in a digital environment, and advising the government on using trade to advance the country's cultural interests, and
- *Serving Canadians: Ensuring Operational Efficiency and Service Excellence*: the focus of activities here will include use of technology and communications to better support departmental operations (social media, online applications, horizontal communication strategies).

These priorities remain largely unchanged since 2012-13. Prior to 2012-13, the government did not place as much emphasis on Canada's history and sport as has been the case over the last number of years. The focus on celebrating the 150th anniversary of Confederation in 2017 has also intensified over time.

Departmental Reporting Structure and Expenditures Across Strategic Outcomes.

Since 2009-10, the Department has used the same reporting structure for its activities. It groups arts, cultural industries and heritage under one Strategic Outcome, which, for purposes of this analysis, facilitates tracking year-over-year spending changes in these areas.

Table 2 shows the reporting structure. It breaks the Department's operations into three Strategic Outcomes, seven Program Activities, and a number of Program Sub-Activities. The first Strategic Outcome focuses on the creation and accessibility of artistic expressions and cultural content and covers all of the Department's programming in the arts, heritage and cultural industries. The second focuses on Canadian identity (including some programs touching on the cultural sector), while the third comprises the Department's activities in sport. Funding programs associated with each Strategic Outcome are listed in the 'Program Sub-Activities' column.

The programs listed in the third column for each Strategic Outcome remained unchanged from last year, with a few exceptions. The Fathers of Confederation Trust has been removed from the Program Sub-Activities listed in the Arts Program Activities in Strategic Outcome 1. In addition, the word 'Policy' has been dropped from the end of the Broadcasting and Digital Communications Program Sub-Activity in the Cultural Industries Program Activity in Strategic Outcome 2. In addition, there is now no list of Program Sub-Activities in the Internal Services function noted at the bottom of the table (three activities used to appear here: governance and management support, management services, and asset management services).

The numerical columns of the table show Actual Spending for 2013-14, and Forecast and Planned Spending for the 2014-15 to 2017-18 period, as presented in the Department's 2015-16 *Report on Plans and Priorities (RPP)*. This section of the Table also shows human resources allocated to each Strategic Outcome for the 2015-16 to 2017-18 period. Staff complements are measured in Full Time Equivalents, or FTEs, each of which is essentially the equivalent of a full time position (FTE figures for 2013-14 and 2014-15 are not listed in the RPP). The final row of the table lists the Budget 2012 cuts to the Department for information purposes (the figures already reflect the cuts).

Readers need to remember that the Planned Spending figures for 2016-17 and 2017-18 have not been voted on by Parliament so are subject to change. They also don't reflect expenditures for programs that are up for renewal in 2016-17 so should be interpreted with caution. Readers will recall that a number of arts and cultural programs that were up for renewal in 2015-16 were renewed last year on a permanent ongoing basis in Budget 2014.

Table 2: Department of Canadian Heritage: Program Activity Architecture and Expenditures, 2013/14-2017/18

Strategic Outcomes	Program Activities	Program Sub-Activities	2013-14 Expenditures	Forecast and Planned Spending \$ millions			Planned Spending \$ millions		
				Forecast Spending 2014-15	Planned Spending 2015-16	Increase/(Decrease) in Spending	2016-17	2017/18	
Strategic Outcome 1: Canadian artistic expressions and cultural content are created and accessible at home and abroad	Arts	Canada Arts Presentation Fund, Canada Cultural Spaces Fund, Canada Arts Training Fund, Canada Cultural Investment Fund	113.4	117.4	116.7	(0.7) (0.6%)	116.7	116.7	
	Cultural Industries	Broadcasting and Digital Communications, Canada Media Fund, Film and Video Policy, Film or Video Production Tax Credits, Canada Music Fund, Canada Book Fund, Canada Periodical Fund, Copyright and International Trade Policy, Cultural Sector Investment Review, TV5	303.5	304.0	302.5	(1.5) (0.5%)	302.5	302.5	
	Heritage	Museums Assistance Program, Canada Travelling Exhibitions Indemnification Program, Canadian Heritage Information Network, Canadian Conservation Institute, Movable Cultural Property Program	38.2	37.7	29.8	(7.9) (21.0%)	29.8	29.8	
Total Strategic Outcome 1				455.0	459.1	449.0	(10.1) (2.2%)	449.0	449.0
Human Resources (FTEs)				NA	NA	483.0	NA	483.0	483.0
Strategic Outcome 2: Canadians share, express and appreciate their Canadian identity	Attachment to Canada	Celebration and Commemoration Program, Capital Experience, State Ceremonial and Protocol, Canada History Fund, Exchanges Canada Program, Youth Take Charge	67.5	82.7	86.6	3.9 4.7%	60.3	60.4	
	Engagement and Community Participation	Human Rights Program, Building Communities through Arts and Heritage, Aboriginal Peoples' Program	45.1	50.8	47.0	(3.8) (7.5%)	41.1	41.1	
	Official Languages	Development of Official-Language Communities Program, Enhancement of Official Languages Program, Official Languages Coordination Program	352.5	354.3	353.4	(0.9) (0.3%)	353.1	352.6	
Total Strategic Outcome 2				465.1	491.8	487.0	(4.8) (1.0%)	454.5	454.1
Human Resources (FTEs)				NA	NA	426.6	-	426.6	426.6
Strategic Outcome 3: Canadians	Sport	Hosting Program, Sport Support Program, Athlete Assistance Program	334.1	465.3	243.9	(221.4) (47.6%)	207.1	207.4	

participate and excel in sport								
		Total Strategic Outcome 3	334.1	465.3	243.9	(221.4) (47.6%)	207.1	207.4
		Human Resources (FTEs)	NA	NA	120.9	-	120.9	120.9
Internal Services			77.3	73.4	73.5	0.1 0.1%	73.6	73.6
		Human Resources (FTEs)	NA	NA	646.3	-	646.3	646.3
		TOTAL SPENDING LISTED IN REPORT ON PLANS AND PRIORITIES	1,331.6	1,485.9	1,253.4	(232.5) (15.6%)	1,184.2	1,184.1
		Human Resources (FTEs)	NA	NA	1,676.8	-	1,676.8	1,676.8
		CUTS TO THE DEPARTMENT ANNOUNCED IN BUDGET 2012 (CUMULATIVE AND ONGOING AS OF 2014/15)	(42.2)	(46.2)	-	-	-	-

Sources: Canadian Heritage, 2015-2016 Report on Plans and Priorities; Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012 (Budget 2012)*.

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

With these caveats in hand, four observations emerge. First, overall funding levels to the department decline substantially between 2014-15 and 2015-16 (by \$232.5 million or 15.8%) due primarily to decreased spending on Sport (a decline of \$221.4 million) as expenditures on the 2015 Pan and Parapan American games ramp down.⁴

Second, between 2014-15 and 2015-16, funding levels to all Strategic Outcomes are down: (down \$10.1 million or 2.2% for Strategic Outcome 1, down \$4.8 million or 1.0% for Strategic Outcome 2, and, as noted above, down \$221.4 million for Sport, a decline of 47.6%).

In the arts and cultural sector (Strategic Outcome 1), the decline is mainly due to a drop of \$7.9 million to Heritage programming, which came about as a result of two transfers: transfer of the Virtual Museum of Canada to the Canadian Museum of History, and transfer of resources from the Canadian Cultural Property Export Review Board to the Administrative Tribunals Support Service of Canada. The **funding changes in Strategic Outcome 2 (Canadian identity)** are due mainly to funding for the Cultural Strategy for the Toronto 2015 Pan and Parapan American Games, transferring the Online Works of Reference to the Canadian Museum of History, and transferring some elements of the Aboriginal Peoples' Sub-Program to the Department of Aboriginal Affairs and Northern Development. As noted above, **the decline in Sport funding (Strategic Outcome 3) owes to the conclusion of funding for the 2015 Toronto Pan and Parapan American Games in 2015-16.** Funding for Internal Services, meanwhile, holds steady at approximately \$73.5 million.

Third, when it comes to medium-term spending projections, planned spending for 2015-16 and 2016-17 holds steady for Strategic Outcome 1, and trends downwards for Strategic Outcomes 2 and 3 (from \$487.0 million in 2014-15 down to approximately \$454 million in each of 2016-17 and 2017-18 for Outcome 1 and from \$243.9 million to approximately \$207 million in 2016-17 and 2017-18 for Outcome 2). **Steady funding to Strategic Outcome 1 owes to the renewal of a number of programs on a permanent ongoing basis in Budget 2014:** the Canada Cultural Spaces Fund, the Canada Cultural Investment Fund, and portions of the Canada Arts Presentation Fund, the Canada Music Fund, the Canada Book Fund and the Canadian Heritage Information network. **The declines to Strategic Outcome 2 occur because funding for the 150th Anniversary of Confederation in 2017 will be drawing to a close, and funding for the Aboriginal Languages Initiative of the Aboriginal Peoples' Program is scheduled to sunset in 2015-16.** The declines in Sport (Strategic Outcome 3), take place because expenditures on the Pan and Parapan American Games sunset in 2015-16.

The final observation relates to staff reductions: the number of Full Time Equivalents for the department is set to remain stable over the next three fiscal years at 1,676.8 Full Time Equivalents (483.0 in Strategic Outcome 1, 426.6 in Strategic Outcome 2 and 646.3 in Strategic Outcome 3). This is welcome news to be sure, but it must be remembered that the **Department has suffered significant staffing cutbacks in recent years.** Budget 2012 eliminated 38 positions and a whopping 500 Full Time Equivalents were cut in an internal deficit reduction exercise before Budget 2012 (360 were permanent positions while 140 were associated with the Vancouver 2010 Olympics and the Shanghai Expo).

⁴ The overall expenditure decrease in this table (\$232.5 million) differs slightly from that listed in Table 1 in the previous section (\$228.8 million) because the RPP lists the 'forecast spending' for 2014-15 rather than the main and supplementary estimates figures used to produce Table 1.

DEVELOPMENTS ACROSS CULTURAL SUB-SECTORS

This section examines funding levels and notable developments in the organizations listed in Table 1 and in key programs at the Department of Canadian Heritage. Department of Canadian Heritage funding to official languages, aboriginal programs, and sport are also examined to keep a watch on trends in these areas of programming.

Table 3 shows funding levels for these various programs for 2014-15 and 2015-16. It lists total expenditures for 2014-15 (Main and Supplementary Estimates), expenditures in the 2015-16 Main Estimates and Supplementary Estimates A and ongoing funding commitments to various programs made in previous years and in Budget 2014.

Overall, funding to arts and culture programs at the Department of Canadian Heritage remained largely unchanged relative to 2014-15. Where there were funding declines, they accrued mainly to other departmental activities, notably sport in the aftermath of the 2015 Pan and Parapan American games.

As always, additional expenditures for 2015-16 could be forthcoming through Supplementary Estimates B and C, which will be tabled later this year.

-----ARTS-----

The ***Building Communities Through Arts and Heritage*** program seeks to ‘engage citizens in their communities through performing and visual arts as well as through the expression, celebration and preservation of local historical heritage’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). The fund supports local festivals, community anniversaries and legacy projects that commemorate significant local persons or events. **Funding to this program continued at the same level as last year: \$17.7 million.** This fiscal year, one of the program’s key initiatives will be supporting projects that commemorate local events pertaining to Canada’s role in World War II. In addition, the program will be evaluated in 2015-16.

The *Canada Arts Presentation Fund* received a slight increase in funding this year: from \$29 million in 2014-15 to \$32 million in 2015-16. The program ‘aims to give Canadians access to a variety of professional artistic experiences in their communities...[through] financial assistance to Canadian not-for-profit organizations that professionally present arts festivals or performing arts series, as well as their support organizations’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). **As of last fiscal year, the government committed to providing ongoing permanent funding to this program at the level of \$29 million.**

Table 3: Department of Canadian Heritage: Selected Grants and Contributions, 2014/15 to 2015/16 (dollars unless otherwise noted)

Grant/Contribution	2014-15			2015-16	Ongoing Funding Commitment as of 2015-16
	Main Estimates	Supplemen- tary Estimates A, B and C	Total	Main Estimates and Supplementary Estimates A ¹	
Arts					
Building Communities through Arts & Heritage	17,655,000	-	17,655,000	17,655,000	
Canada Arts Presentation Fund	28,972,742	-	28,972,742	31,977,742	\$29 M
Canada Arts Training Fund	22,779,440	-	22,779,440	22,779,440	
Canada Cultural Investment Fund	22,031,705	-	22,031,705	21,972,205	\$30.1 M
Canada Cultural Spaces Fund	25,508,613	-	25,508,613	25,358,613	\$30 M
Heritage					
Museums Assistance Program	15,739,964	-	15,739,964	15,739,964	
Canada History Fund	6,187,390	-	6,187,390	4,037,390	
Cultural Industries					
Canada Book Fund	36,666,301		36,666,301	36,666,301	\$9 M
Canada Media Fund	134,146,077	-	134,146,077	134,146,077	
Canada Music Fund	23,939,231	-	23,939,231	24,299,231	\$8.8 M
Canada Periodical Fund	74,774,598	-	74,774,598	74,774,598	
Other Grants and Contributions					
Celebration and Commemoration Program	10,494,367	14,310,000	24,804,367	28,494,367	
Sport Grants & Contributions					
Athlete Assistance Program	28,000,000	-	28,000,000	28,000,000	
Sport Support Program	142,815,064	1,461,258	144,276,322	143,315,064	
Hosting Program	213,752,765	64,775,684	278,528,449	59,625,790	
Official Languages					
Enhancement of Official Languages Program	111,523,131	-	111,523,131	111,523,131	
Development of Official-Language Communities Program	224,421,990	1,500,000	225,921,990	225,921,990	
Aboriginal Peoples' Program	22,854,078	4,695,679	27,549,757	17,549,757	

¹ Supplementary Estimates A did not include any additional funding for programs in this table.

Sources: Government of Canada, *2015-2016 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *2014-2015 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Supplementary Estimates (B) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Supplementary Estimates (C) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *The Road to Balance: Creating Jobs and Opportunities (Budget 2014)*.

Funding to the Canada Arts Training Fund remained unchanged at \$22.8 million. The program ‘aims to contribute 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 calibre’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*).

The **Canada Cultural Investment Fund** ‘helps arts and heritage organizations build and diversify their revenue streams, strengthen their business skills, and assists them in being better rooted and recognized in their communities’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). **Funding to this program held steady at \$22 million. Budget 2014 committed to making the program part of the Department’s base budget as of 2015-16 at a level of \$30.1 million, \$27.1 million of which will be allocated to grants and contributions.**

The program is comprised of three components. The **Endowment Incentives** component encourages Canadians to contribute to arts endowment funds by providing matching funds. The **Strategic Initiatives** component ‘provides financial assistance to projects that strengthen the business practices of multiple partner organizations’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). The **Limited Support to Endangered Arts Organizations** component is rarely used but enables the government to partner with other governments and the private sector to avoid an arts organization going bankrupt.

Funding to the Canada Cultural Spaces Fund remained largely unchanged at \$25.4 million. The program aims to ‘contribute to the improvement of physical conditions for the arts and heritage related to creation, presentation, preservation and exhibition’ and to ‘increase and improve access for Canadians to performing arts, visual arts, media arts, and to museum collections and heritage exhibitions’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). **The program is now permanent and ongoing at a funding level of \$30 million, \$25.4 million of which is distributed as grants and contributions.** It should be noted that \$30 million is the level of funding this program received at its inception in the 2002-03 fiscal year, an amount that has been insufficient to meet the demands of the sector. Just to keep pace with inflation, this amount would need to be increased to \$38.2 million (calculated with the Bank of Canada’s inflation calculator).

Canada Council for the Arts. Over the last number of years, the government has preserved and enhanced Canada Council funding: Council funding was not subjected to cuts in the Budget 2012 deficit reduction exercise and in Budget 2014, the government announced that the Council’s annual \$25 million top-up would become part of its permanent ongoing funding. This support for the Council has been welcomed by the arts sector, which has urged the government to maintain and enhance support for the Council. **Between 2014-15 and 2015-16, funding to the Canada Council held steady at just over \$182 million** (see Table 1).

The way the Council distributes its funding is set for substantial change. The Council has recently announced a transformation in its funding model, which will see the number of programs reduced from 147 discipline-based programs to just six national non-discipline based programs. The new programs are in the following areas: Explore and Create, Engage and Sustain, Creation, Knowing and Sharing Aboriginal Arts, Renewing Artistic Practice, Arts Across Canada, and Arts

Abroad (see <http://newfundingmodel.canadacouncil.ca/>). Full details of the new structure are expected to be released in the coming months, but the Council has assured funding recipients that those who were eligible to receive funding in the past will remain eligible to receiving funding under the new model, which will be implemented in 2017.

The Council indicates that the transformation is intended ‘to offer artists a simpler, more artist-centred application process, to respond proactively and constructively to current trends and issues in the arts and to maximize the social, creative and economic impact of the arts in Canada for the benefit of all Canadians’ (Canada Council website). In addition, it has underscored that it ‘remains committed to core principles of artistic excellence, the distribution of public funds by a process of peer assessment and to upholding and strengthening Official Languages, as well as its support for Aboriginal arts, ethnic and regional diversity and equity groups including Deaf and Disabled artists’ (Canada Council website).

As shown in the Annex to this document, in 2014-15, the Council received a \$127,000 transfer from the Department of Canadian Heritage in Supplementary Estimates B ‘to support multilateral cooperation French-language theatre projects, as well as to ensure Canada’s participation in meetings of the Commission internationale du théâtre francophone.’

While the above is clearly a good news story, if parliamentary funding to the Canada Council is viewed on a per capita constant dollar basis, support to the organization has actually declined over the last decade: **between 2005-06 and 2015-16, per capita funding shrunk from \$5.54 to \$5.08 on a constant dollar basis (a decline of 8.3%).**⁵ Indeed, during the review of the feature film industry undertaken by the Standing Committee on Canadian Heritage this past spring, the new CEO of the Canada Council for the Arts mentioned that it would be time to review funding of the Crown Corporation, which has been stable for almost ten years.

Despite this decline in parliamentary appropriations, however, the Council has managed to increase the total amount of grants, prizes and payments awarded to \$155.1 million in 2014-15, up from \$153.6 million in 2013-14. This increase was possible due to increased revenues from the organization’s endowment fund (which regained some of its value) as well as operational efficiencies. In addition, the Council has increased its support for artists and arts organizations to access international markets so it is effectively doing more with less. Moreover, ongoing financial market volatility continues to strain the Council’s endowment fund. To date, this has not reduced Council grants given reserves from previous years’ investment income.

Table 1 shows that **funding to the National Arts Centre (NAC) is up substantially in 2015-16**, from a total of \$35.0 million in 2014-15 to \$54.7 million so far this year, an increase of \$20.5 million, or 59.9%. **The additional funding is for capital expenditures** ‘to revitalize the National Arts Centre facility by creating a new entrance and expanding public spaces’ (2015-16 Supplementary Estimates A). This is the first tranche of the government’s commitment made last year to provide \$110.5 million in capital funding to the NAC to upgrade its performing halls and

⁵ Constant dollars are in July 2015 dollars, based on the Statistics Canada, *Consumer Price Indexes for Canada*. Population estimates for 2015 are based Statistics Canada, *Population Projections for Canada (2013 to 2063)*.

build a glass atrium and a new entrance to the Centre. Work is scheduled to be completed by the end of 2017, the year of the 150th anniversary of Confederation.

As shown in the annex to this document, last fiscal year, the NAC also received additional funding in the supplementary estimates: a transfer of \$150,000 in the 2014-15 Supplementary Estimates B from the Department of Canadian Heritage for the biennial *Zones théâtrales* and a further \$600,000 from the Department of Canadian Heritage for the Ontario Scene festival.

Funding to the **National Gallery** held steady this year at \$43.8 million.

-----HERITAGE-----

Funding to the Museums Assistance Program (MAP) held steady in this year's Main Estimates at \$15.7 million. The program funds Canadian museums and related organizations 'for activities that facilitate Canadians' access to our heritage, foster the preservation of Canada's cultural heritage, including the preservation of representative collections of Aboriginal cultural heritage, and foster professional knowledge, skills and practices related to key museum functions' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*).

It should be noted, though, that only \$6.7 million of the \$15.7 million in funding to this program goes towards grants and contributions to museums. The Department of Canadian Heritage uses this mechanism to deliver other initiatives as well, including Young Canada Works.

In addition, this is another one of the programs that the government has targeted to contribute to the celebration of Canada's 150th anniversary in 2017. The Department notes that funding priority will be given to 'exhibitions focused on history, and in particular, on the historical milestones of *The Road to 2017*' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*).

As noted in previous budget analyses, the actual funding for museums and galleries is now less than its funding in 1972. When the program was first created in 1972, its initial funding level was \$6.7 million, the same amount that continues to be provided in grants and contributions to museums.

According to an evaluation prepared by the Canadian Museums Association, taking into account inflation and population growth, the equivalent amount some thirty years later should be \$62 million! And this doesn't take into account the growth in the number of museums in the country: there are roughly two times more museums in operation now than there were in the early 1970s.

The result has been to force museums to increase admission fees, to rely on private donations and to charge for a variety of their costs, which often makes them inaccessible to many Canadians.

At the same time the support for federal museums has increased dramatically, including the Canadian Museum of History (formerly known as the Canadian Museum of Civilization, the Canadian Museum of Nature, National Gallery of Canada, and the Canadian Museum of Science and Technology, as well as their affiliates. Further, 2 new federal museums have been added under the Conservative Government, the new and controversial Canadian Museum for Human

Rights in Winnipeg with an annual operating budget of some \$23 million and its still unmet capital building costs of some \$50 or \$80 million, and the Canadian Museum of Immigration, known as Pier 21 in Halifax.

Nevertheless, most Canadian museums and galleries participate in programs such as the Cultural Access Pass which provides free admission to the families of new Canadian citizens. This program was initiated by CMA but is now administered by the Institute of Canadian Citizenship. (ICC).

In 2013-14, the government created the Canada History Fund, which received \$4.3 million in its first year of operation, \$6.3 million in 2014-15 and will receive \$4.0 million this year. The Fund ‘encourages Canadians to learn about Canada’s history, civic life, and public policy’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*) by supporting development of learning materials, learning experiences and networks. Key initiatives in 2015-16 include support for activities so that ‘all Canadians, in particular youth, can learn about key events and people related to milestones of *The Road to 2017*’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). This year the program will also produce two new Heritage Minutes and continue to develop Canada History Week. The program will be evaluated in 2015-16 as well.

Readers will recall that **Library and Archives Canada sustained a significant cut in Budget 2012: \$9.6 million (8.2%) in ongoing funding as of fiscal year 2014-15 (see Table 1)**. Funding to the organization was down \$2.9 million from last year’s Main Estimates: from \$95.9 million in the 2014-15 Main Estimates to \$93.0 million in 2015-16. The reduction owes primarily to a decrease of \$3.1 million ‘for the conversion of a commercial building in Gatineau, Quebec, into a collection storage facility with a high-density shelving system’ (2015-16 Main Estimates).

As noted in the annex to this document, Library and Archives received \$1.0 million last fiscal year in Supplementary Estimates C. The funding was a transfer from the Department of Canadian Heritage to support ‘publication of a new collection entitled ‘100 Canadian Stories of the First World War’ and the digitization of First World War records’ (2014-15 Supplementary Estimates C).

As shown in Table 1, **funding to the Canadian Museum of History increased substantially in this year’s Main Estimates**, from \$63.4 million in 2014-15 to \$83.4 million in 2015-16, an increase of \$20 million or 31.5%. **The increase will fund the renovations to the Canada History Hall (\$11.5 million), and the transfer of the Virtual Museum of Canada (\$6.2 million) and the Online Works of Reference (\$2.1 million) from the Department of Canadian Heritage to the Museum.**

As noted in the annex to this analysis, the Museum also received \$170,000 in the 2014-15 Supplementary Estimates B for ‘comprehensive claims and self-government negotiations across Canada.’

As shown in Table 1, **funding to the Canadian Museum for Human Rights held steady at \$21.7 million**. September 2014 marked the official opening of the Museum, and its focus now is

on ‘maximizing visitation and revenues, delivering a world-class museum experience that consistently meets or exceeds visitor expectations and building toward long-term financial sustainability’ (2015-16 Main Estimates).

The **Canadian Museum of Immigration at Pier 21** experienced a slight decline in funding this fiscal year, from \$9.9 million in 2014-15 to \$7.7 million in 2015-16. The drop owes to reduced capital expenditure requirements now that the renovation of exhibition spaces and the creation and installation of exhibitions has been completed. The Museum reopened in May 2015.

As shown in Table 1, **funding to the Canadian Museum of Nature held steady at \$26.1 million**. The Museum is pursuing a number of strategic priorities to better position it to generate earned revenue, including creating a Centre for Arctic Knowledge and Exploration, a Centre for Species Discovery and Change, and a Centre for Nature Inspiration and Engagement.

Funding to the National Museum of Science and Technology increased by \$25.9 million this year, from a total of \$33.2 million in 2014-15 to \$59.1 million so far this fiscal year (see Table 1). The vast majority of this increase (\$29.4 million) is for the repair and renovation of one of the museum’s facilities. A further \$2.9 million is required to address the discovery of a major airbourne mold problem in the same building. While repairs and renovations are underway, this facility will be closed to the public. The building is set to reopen in 2017. In the meantime, visitors can still visit the Canada Aviation and Space Museum and the Canada Agriculture and Food Museum, the other two museums which form part of the National Museum of Science and Technology.

Key priorities for 2015-16 include creating exhibitions and programming in the lead-up to Confederation’s 150th anniversary in 2017 ‘to commemorate the contribution of science, technology and innovation to the transformation of our country’ and stimulating debate and learning amongst Canadians about energy.

-----CULTURAL INDUSTRIES-----

Broadcasting, Audiovisual Production and New Media

Canada Media Fund. The Canada Media Fund is a public-private partnership that ‘provides funding for the creation and promotion of convergent digital content in both official languages and innovative Canadian content and software applications designed for distribution on multiple platforms’ (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). **Funding from the Department of Canadian Heritage to the Canada Media Fund held steady at \$134.1 million.** Combined with contributions from cable and satellite distributors mandated by the CRTC, the combined total of funded projects was \$354.5 million in 2013-14 (the latest year for which figures are available).

It is worth pointing out that apart from the addition of \$34.1 million in 2009 to this program as a result of merging the Canadian Television Fund (\$100 million) and the Canada New Media Fund (\$34.1 million) to create the Canada Media Fund, the federal government’s annual contribution to the television component of the fund has been frozen at \$100M since 1996. To keep pace with

inflation, the contribution in 2015 should be \$143 million (calculated with the Bank of Canada's inflation calculator).

At the same time, figures from the most recent CRTC Communication Monitoring Report (2014) reveal that private sector contributions are hitting a plateau. Contributions from broadcasting distribution undertakings (BDUs) to Canadian programming in 2012-2013 totalled \$466.5 million, down from \$495.1 million the previous year. However, the proportion allocated to the Canada Media Fund increased from 42 to 46%, yielding a modest increase of \$8 million. The sector expects these contributions to keep decreasing as Canadians shift from cable and satellite to Internet to access audiovisual content, the latter not being regulated and not called upon to make a financial contribution to the production of Canadian content. The net result of this is that the sector forecasts a real decrease of funding available to producers.

Canadian Broadcasting Corporation/Radio-Canada. As noted in Table 1, funding to the CBC held steady in this year's budget at just over one billion dollars. It must be remembered, though, that **Budget 2012 cuts hit the CBC very hard: the organization sustained a total cut of \$115.0 million (10.7%).**

As noted in last year's analysis, **combined with expenditures the organization had already planned to modernize its operations and a number of 'unavoidable new costs' (rent, taxes, rights increases), the CBC faced \$200 million in 'financial pressures' between 2012-13 and 2014-15** (CBC website). This is close to 20% of its Parliamentary appropriations. Added to this challenge was the CRTC decision in summer 2012 to end the Local Programming Improvement Fund, which brought about \$47 million annually to the organization. The LPIF was formally phased out on August 31, 2014.

To address these financial pressures, **the organization has eliminated some 1,200 positions to date.** These come on top of the 800 positions lost during the financial crisis of 2008-09. **By 2020, the CBC expects it will shed a further 1,000 to 1,500 employees through attrition (retirements).**

2015 is the first year of the corporation's five year strategy, A Space for us all, which 'aims to better position the broadcaster to meet the fundamental shifts that are transforming the media universe, and consequently how it connects with Canadians. ... The vision is that by 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians' (2015-16 Main Estimates).

As noted in last year's analysis, the organizations has had to scale back its plans for its 2015 Strategic Plan, including discontinuing competing with private broadcasters for professional sports, consolidating regional programming and replacing local programming in some communities, and cancelling a planned expansion in London Ontario.

As Table 1 shows, **funding to the National Film Board and Telefilm Canada held very steady:** from \$59.9 million to \$59.7 million for the NFB (0.3% decline) and from \$95.4 million to \$95.5 million for Telefilm (a 0.1% increase). For the NFB, the reductions are due primarily to the

reduced expenditure requirements for the relocation of the Board's Montreal headquarters to the Quartier des spectacles in the fall of 2017.

It must be remembered that **both of these organizations sustained 10% cuts in Budget 2012 and the impacts on their program were significant** (see the 2013 Federal Budget Analysis for details).

Publishing

Book Publishing. The **Canada Book Fund** 'supports the activities of Canadian book publishers and other sectors of the book industry to ensure access to a broad range of Canadian-authored books' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). The program has two components: Support for Publishers, which provides funding to Canadian owned and controlled publishers to produce and market Canadian authored books, and Support for Organizations, which seeks to develop the industry and its markets. **Funding to the program held steady in the Main Estimates at \$36.7 million.** Budget 2014 announced that the program would see the renewal of \$9 million a year to be part of base funding as of 2015-16, a measure which reduces uncertainty but does not constitute new money for the Fund.

Periodical Publishing. The **Canada Periodical Fund** 'supports the activities of Canadian magazine and non-daily newspaper publishers and organizations to ensure that Canadians have access to diverse Canadian magazines and non-daily newspapers' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). The Fund consists of three components: Aid to Publishers, for Canadian print magazines and non-daily newspapers; Business Innovation, for print and online magazines, and Collective Initiatives, which funds magazines and non-daily newspaper organizations to strengthen industry sustainability. **Total funding to the Canada Periodical Fund held steady at \$74.8 million.**

Sound Recording

The **Canada Music Fund** 'supports the activities of Canadian music creators, artists and entrepreneurs aimed at increasing the creation of, and access to, a diversity of Canadian music for audiences everywhere' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). The program consists of the following components: Music Entrepreneur, which provides funding to entrepreneurs and national service organizations for creation, publishing, production, distribution or marketing of Canadian music; New Musical Works, which supports creators and entrepreneurs in creation, publishing, production, distribution or marketing of Canadian music; Collective Initiatives, which funds not-for-profit organizations to strengthen the visibility and accessibility of Canadian music, and Canadian Music Memories, which funds preservation of Canadian sound recordings. **Funding to the program held steady at roughly \$24 million.**

Budget 2014 committed to move \$8.8 million of the program's total funding to base funding as of 2015-16. The \$8.8 million has been granted since the early 2000s but was not a permanent ongoing part of the fund. While this will provide more certainty and predictability to funding, it does not constitute an increase.

As may be the case for the Canada Media Fund in the near future, it is worth pointing out here that the contribution of private broadcasters to the Canada Music Fund has already started to decline, a fact which was brought to the attention of the House of Commons Heritage Committee when it studied the Canadian music industry in winter 2014. In the 2012-2013 broadcast year, the most recent year for which figures are available, commercial radio operators contributed just over \$52 million to the development of Canadian content, a decrease of 4.9% from the previous year.

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

The **Celebration and Commemoration Program** provides financial assistance to eligible organizations (non-governmental and community organizations) to organize community events during the ‘Celebrate Canada’ period, June 21st to July 1st. The period includes National Aboriginal Day, Saint-Jean-Baptiste Day, Canadian Multiculturalism Day and Canada Day. This year, funding to the program stands at \$28.5 million, up almost \$4 million from last fiscal year.

Funding to this program has been on the rise in recent years: it received a total of \$14.8 million in 2013-14, \$24.8 million in 2014-15 (this includes an additional \$14.3 million in the Supplementary Estimates) and is now close to \$30 million, as noted above. **The government notes that the program will coordinate activities relating to the 150th anniversary of Confederation in 2017 and will implement the government’s cultural strategy for the 2015 Pan and Parapan American Games.**

Sport. Sport funding holds steady for two of the government’s three main programs in this area, and is down considerably for the third program area owing to reduced funding requirements in connection with the 2015 Pan and Parapan American Games.

In addition, the government is providing \$6 million for a Federal Cultural Strategy for the 2015 Pan and Parapan American Games. The funding has been repurposed from the government’s original \$500 million commitment to the Games, and will fund initiatives in 2014-15 and 2015-16. The Federal Cultural Strategy for the Games includes:

- \$1.4 million for the main celebration site at Nathan Philips Square;
- \$1 million for torch relay activations outside Ontario;
- \$3.6 million for torch relay activations in Ontario, activations showcasing Aboriginal and Francophone culture, and local activations that highlight Canada’s connection to the Americas, engage Canadians in celebrations related to the Games, or commemorate Canada’s history of summer sport.

The application period for this funding is now closed (applications were due in August and October 2014). Other funding programs, including the Canada Arts Presentation Fund and the Building Communities through Arts and Heritage program, will consider proposals for Pan Am-related funding that meet their eligibility conditions.

The **Athlete Assistance Program**, which provides support to athletes to improve their performance at major international events, received the same level of funding as it did last fiscal year: \$28 million.

The **Sport Support Program** works to develop athletes and coaches, increase Canadians’ involvement in sport and advance Canadian interests and values. Funding to this program held steady at just under \$145 million.

The **Hosting Program** provides ‘assistance for the hosting of the Canada Games and international sport events in Canada’ (Department of Canadian Heritage 2015-16 *Report on Plans*

and Priorities). Given the conclusion of the Pan and Parapan American games this year, funding to the program is down from its high of \$278.5 million in 2014-15 to \$59.6 million this fiscal year.

Official Languages. Expenditures promoting Canada's official languages and supporting official language minority communities held steady year-over-year. The *Enhancement of Official Languages Program*, which 'helps Canadians gain a better understanding and appreciation of the benefits of linguistic duality, as well as awareness of the constitutionally guaranteed language rights' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*), received \$111.5 million in the Main Estimates, the same level of funding as last year.

Funding to the *Development of Official-Language Communities Program*, which 'fosters the vitality of Canada's English-and French-speaking minority communities and enables them to participate fully in all aspects of Canadian life' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*), received \$225.9 million in this year's Main Estimates, the same level as last year.

The *Aboriginal Peoples' Program* centres on 'strengthening cultural identity, encouraging the full participation of Aboriginal peoples in Canadian life, and supporting the continuation of Aboriginal cultures and languages as living elements of Canadian society' (Department of Canadian Heritage 2015-16 *Report on Plans and Priorities*). Funding to this program is down from a total of \$27.5 million in 2014-15 to \$17.5 million this fiscal year. The decline owes to the transfer of the Aboriginal Women's Programming Elements to Aboriginal Affairs and Northern Development Canada's Family Violence Prevention Program.

-----OTHER FACTORS IMPACTING THE CULTURAL SECTOR-----

While not directly related to the Budget, it is important to highlight here some measures which could have an impact on the cultural sector.

The first is the new measure in Budget 2015 that will exempt donors from tax when the proceeds from sales of shares or real estate are donated to charities within thirty days of the sale. While this measure applies to the charitable sector writ large, it does have the potential to encourage donations to arts and cultural charities as well.

The second is an amendment to the Copyright Act which will extend the term of protection of performances and sound recordings from fifty to seventy years from the release date of the recordings.

Appendix

Estimates for the Department of Canadian Heritage and Selected Cultural Agencies and Crown Corporations, Total of Main Estimates and Supplementary Estimates A, B and C for Fiscal Year 2014-15 (millions of dollars)

Organization ¹	Main Estimates 2014-15	Budget 2012 Ongoing Cut as of 2014-15 ²	Supplementary Estimates A 2014-15		Supplementary Estimates B 2014-15		Supplementary Estimates C 2014-15		Total Estimates 2014-15 ³
			Net Transfers	New Appropri- ations	Net Transfers	New Appropri- ations	Net Transfers	New Appropri- ations	
Department of Canadian Heritage	1,390.0	(46.2) (3.5%)	-	-	(1.6)	93.4	(1.6)	2.0	1,482.2
Canada Council for the Arts	182.1	-	-	-	0.1	-	-	-	182.2
Canadian Broadcasting Corporation	1,038.0	(115.0) (10.7%)	-	-	-	-	-	-	1,038.0
Library and Archives of Canada	95.9	(9.6) (8.2%)	-	-	-	-	1.0	-	96.9
National Arts Centre	34.2	(1.9) (5.3%)	-	-	0.2	-	0.6	-	35.0
National Gallery of Canada	43.8	-	-	-	-	-	-	-	43.8
Canadian Museum of History	63.4	-	-	-	-	0.2	-	-	63.6
Canadian Museum for Human Rights	21.7	-	-	-	-	-	-	-	21.7
Canadian Museum of Immigration at Pier 21	9.9	-	-	-	-	-	-	-	9.9
Canadian Museum of Nature	26.1	-	-	-	-	-	-	-	26.1
National Museum of Science and Technology	26.9	-	-	-	-	-	-	6.3	33.2
National Film Board of Canada	59.9	(6.7) (10.0%)	-	-	-	-	-	-	59.9
Telefilm Canada	99.6	(10.6) (10.0%)	-	-	-	-	-	-	99.6
TOTAL	3,091.5	(191.1) (6.2%)	⁻⁴	-	⁻⁴	93.6	⁻⁴	8.3	3,192.1

Notes:

¹These organizations also generate annual revenues.

²Budget 2012 cuts were implemented in some instances by reallocating funds within an organization to support new appropriations or transfers in the Supplementary Estimates.

³Total estimates figures here are the sum of expenditures in the 2014-2015 Main and Supplementary Estimates and may not add due to rounding. Note that they may not reflect the Total Authorities listed in the 2014-2015 Supplementary Estimates C, which also include additional funding in 'carry-forward,' eligible paylist expenditures and collective agreements.

⁴Totals for transfers not provided as some of these expenditures are transfers from one agency to another within the Ministry or are 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, *2014-2015 Estimates, Parts I and II: The Government Expenditure Plan and Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Supplementary Estimates (B) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Supplementary Estimates (C) 2014-2015 for the Fiscal Year ending March 31, 2015*; Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012 (Budget 2012)*.