

Budget 2013

Culture and the Arts

A Missed Opportunity

**Analysis of the 2013 Federal Budget
from the perspective of the cultural sector**

Prepared for the
Canadian Arts Coalition

www.canadianartscoalition.com

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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 2012/13)

A Missed Opportunity: Analysis of the 2013 Federal Budget from the perspective of the cultural sector

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Analysis of the 2013 Federal Budget from the perspective of the cultural sector

Executive Summary

The Canadian Arts Coalition has prepared this budget analysis to examine 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 affecting the sector.¹

The main issues animating the analysis are four-fold. First, while there is little in the way of bad news for the sector in Budget 2013, with the exception of a program eligibility change to the Endowment Incentives component of the Canadian Cultural Investment Fund, arts and culture were scarcely mentioned in the budget. The document prioritizes jobs and economic growth but does not seek to capitalize on opportunities for employment and growth in the arts and cultural sector. Many arts and cultural organizations have represented to the government that job creation in the cultural sector is cheap compared to other sectors and generates more in taxes for whatever level of government than it costs. Still, it does not appear that investing in cultural job creation is on the government's radar. This state of affairs is summed up in the title of this year's budget analysis.

Second, while the government is intent on returning to fiscal balance, funding reductions to some areas of government activity are being used to underwrite the cost of new programs and initiatives. The government seems to be using the banner of deficit reduction to shift resources around and pursue other priorities: it is simultaneously reducing spending in some (non-priority) areas while redirecting it to other (higher priority) activities. In the arts and cultural sector, this seems especially to be the case for new funding to support Canadian history. The recently announced Canada History Awards are a reflection of this, as is the transformation of the Canadian Museum of Civilization into the Canadian Museum of History and federal expenditures last year to commemorate the anniversary of the War of 1812 and those leading up to Canada's 150th anniversary in 2017. While the arts and cultural sector would welcome involvement in the 150th anniversary celebrations, it is difficult to engage meaningfully without additional funding – and without government recognition that celebrations can focus on the future as well as the past.

Third, while there is no further bad news for the arts and culture sector in Budget 2013, the significant spending cuts in Budget 2012 are still being rolled out and funding levels

¹ As many readers will know, in previous years, the Canadian Conference of the Arts has prepared an annual analysis of the federal budget. With the suspension of the CCA's activities in 2012, its caretaker board of directors enthusiastically passed the baton of the budget analysis to the Canadian Arts Coalition and sincerely hopes the CAC will continue to offer this valued service to the cultural community.

for some organizations are dropping significantly. There are close to \$200 million in permanent cuts to be implemented by 2014/15 in the Canadian Heritage portfolio. The majority are borne by the Canadian Broadcasting Corporation (\$115.0 million) and the Department of Canadian Heritage (\$46.2 million), with Telefilm, the National Film Board and Library and Archives Canada also sustaining major cuts to their budgets. These cuts also come, of course, on top of inflation: government expenditures have not kept pace with inflation over the years.

Moreover, while the government protected funding to the Canada Council for the Arts, on a per capita basis, government funding to the Council has actually declined 2.5% since 2005/06. In addition, the Council's increased support for artists and arts organizations to access international markets in recent years means that the organization is effectively doing more with less. Added to this, the Council's endowment fund remains under strain given ongoing financial market volatility.

Fourth, 'following the money' has been extremely difficult. There continues to be considerable uncertainty as to how the remainder of the Budget 2012 cuts will be implemented. Accessing clear, timely and comprehensive information regarding the budget and its implementation has been a challenge – not only for the cultural sector but for all parties trying to follow the expenditure reduction process. The Parliamentary Budget Officer has consistently critiqued the government on this point over the last few years, even taking the issue to Federal Court in an attempt to secure access to information about the government's austerity measures. This context has made preparation of the analysis particularly difficult and also challenges the sector in its efforts to develop and maintain effective relationships with the government.

The 2013 federal budget analysis was prepared against this backdrop. Following a brief introduction, the text proceeds in three sections. The first examines 'the big picture' of overall federal funding levels to key cultural institutions. It also examines possible opportunities for the arts and cultural sector in other expenditure priorities announced in Budget 2013. The second section focuses on the Department of Canadian Heritage, examining its organizational structure, expenditures and staff levels. The third undertakes a more detailed analysis of expenditures in key programs across the arts, heritage and cultural industries.

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Analysis of the 2013 Federal Budget from the perspective of the cultural sector

Introduction

Budget 2013 is the third budget tabled by the Conservative government in majority. Like the two budgets before it, *Jobs, Growth and Long-term Prosperity (Economic Action Plan 2013)* continues the government's efforts to return to fiscal balance after the stimulus spending of 2009 to 2011. The Canadian economy's performance is the strongest in the G7, but the economic recovery is still underway and the government is reining in spending to eliminate the deficit.

As the title of **Budget 2013 suggests, the government is prioritizing jobs and economic growth** and is putting in place a variety of measures to support job creation and economic activity. Among these are the much discussed Canada Job Grant, which aims to support skills training in areas directly relevant to employers, support to strengthen manufacturers' global competitiveness and develop Canada's natural resources, creation of a new Building Canada Plan with \$47 billion of infrastructure investment over the next decade, support for research and innovation, and support for families and communities to improve their quality of life.

While some of these measures may hold potential opportunities for the cultural sector (e.g., the new infrastructure funds), **arts and culture were scarcely mentioned in the budget** or in relation to these programs. **The notable exception to this is the program eligibility change to the Endowment Incentive component of the Canada Cultural Investment Fund which raises the maximum funding that an organization can receive from the fund from \$10 to \$15 million over the life of the program.** This is good news, particularly for larger cultural organizations, which will be eligible to receive matching funding from the program beyond their original \$10 million cap. It should be noted, though, that funding to the program itself has not been increased and there is no guarantee the program will continue in perpetuity.. The Budget also provided \$8 million in 2013/14 for the restoration of Massey Hall.

Overall, though, it is not entirely clear how arts and culture fit (or not) into the government's priorities. One area where the government shows considerable interest is support for Canadian history. The recently announced Canada History Awards are a reflection of this, as is the transformation of the Canadian Museum of Civilization into the Canadian Museum of History and federal expenditures to commemorate the War of 1812 last year and those leading up to Canada's 150th anniversary in 2017.

The title of this year's analysis seeks to capture this situation. While the arts and culture don't currently figure prominently in the government's priorities, neither do they appear to be set for bad news. As noted below, the significant spending cuts in Budget 2012 are still being rolled out, but there does not appear to be any new imminent danger for the sector.

Nonetheless, the government may have missed some opportunities in Budget 2013 to leverage the arts and culture for job growth and prosperity. As the Canadian Arts Coalition pointed out in its initial response to the budget, the arts and culture sector offers considerable opportunity to advance Canada's status as a leader in the creative, knowledge-based economy. Unlike many other sectors, the cultural domain has continued to grow at a rapid rate in recent years. Between 2000 and 2010, the information and cultural industries, and the arts, entertainment and recreation sectors experienced higher annual nominal GDP growth than the average annual growth rate of the Canadian business sector as a whole: 5.18% (information and cultural industries), 4.53% (arts, entertainment and recreation) and 4.10% (total Canadian business sector).² The number of cultural workers, including artists, exceeds 600,000: one in every 30 workers in Canada has a cultural occupation. This is twice the number who work in forestry and more than twice the number working in Canadian banks. Over the past four years, many arts and culture organizations have represented to the government that job creation in the cultural sector is cheap compared to other sectors and generates more in taxes for whatever level of government than it costs. Still, it does not appear that investing in culture job creation is on the government radar.

In keeping with this dual focus, this analysis aims not only to assess the budgetary 'news' for the arts and culture (i.e. the status of direct spending on arts and culture), but also the budgetary possibilities for arts and culture. That is, areas or new programs in Budget 2013 where efforts could be made to sensitize the government to the opportunities of incorporating arts and culture into other programs.

The analysis also details the context and impacts of fiscal restraint. Budget 2013 continues the government's efforts to reduce government spending and eliminate the deficit. Budget 2011 began this process by announcing the Strategic and Operating Review, which combed through some \$80 billion in direct program spending to identify \$4 billion in permanent cuts by 2014/15. Budget 2012 announced the results of this process, laying out in broad brushstrokes the cuts to come between 2012/13 and 2014/15. (It should be remembered that these cuts come on top of program cuts in previous years, notably Strategic Reviews and the obligation for organizations to absorb the cost of salary increases over the last few years.)

As last year's budget analysis reported, **the government protected funding to the**

² See Centre for the Study of Living Standards, *Sectoral Contributions to Labour Productivity Growth in Canada: Does the Choice of Decomposition Formula Matter?* CSLS Research Report 2012-09, December 2012. Ottawa: CSLS. Available online at <http://www.csls.ca/reports/csls2012-09.pdf>.

Canada Council for the Arts, a key recommendation made by the cultural sector. **The government also shielded federal museums and the National Gallery from cuts** (although they had to absorb salary increases and inflation following the 2010/11 to 2012/13 operating expenditure freeze announced in Budget 2010). **Cuts across the remainder of the Canadian Heritage portfolio were substantial, however, with close to \$200 million in permanent cuts to be implemented by 2014/15.** The majority are borne by the Canadian Broadcasting Corporation (\$115.0 million) and the Department of Canadian Heritage (\$46.2 million). The audiovisual sector fared the worst in the process (CBC and cuts to Telefilm and the National Film Board), with heritage not far behind (Library and Archives Canada).

Budget 2012 did not detail precisely what would be cut and there remains considerable uncertainty as to how the remainder of the cuts will be rolled out, but information continues to slowly trickle out. Organizations have tried to protect direct program funding and train their sights on administrative efficiencies. The Department of Canadian Heritage, in particular, has significantly reduced internal administrative spending over the last two years. While the protection of program spending is welcome news, cutting administration runs the risk of less efficient and effective management and reduced access to services, now and into the future.

Budget 2012 also resulted in hard cuts to some important programs (e.g., development financing from Telefilm, the Creators' Assistance Component of the Canada Music Fund, and the National Archival Development Program).

Interestingly, some of the funding freed up by the Budget 2012 cuts is being used to fund new expenditures. This appears to be the case especially at the Department of Canadian Heritage, where new expenditures flowing to the organization in the 2012/13 supplementary estimates are being paid for in whole or in part by cuts to other parts of the organizations. When this occurs, the outcome is effectively a reallocation of spending from one purpose to another. It is very difficult to discern, however, what precisely has been cut to fund new spending. This is the case, for example, with the \$12 million to be spent annually to support Canadian history (the new Canada History Fund, Canada History Week and additional funding to existing programs): Heritage Minister James Moore indicated this is not new spending, but rather, 'funded from existing resources'. At this time, unfortunately, it is not clear which 'existing resources' are being drawn on for this.

This lack of transparency and clear, detailed and timely information is a considerable challenge – not only for the cultural sector but for all parties trying to follow the expenditure reduction process. Indeed, the Parliamentary Budget Officer has critiqued the government on this point consistently over the last few years, even taking the issue to Federal Court in an attempt to secure access to information about the government's austerity measures. Needless to say, this context has made preparation of the budget analysis particularly difficult.

The analysis was prepared against this backdrop. The text proceeds in three sections. The first examines 'the big picture' of overall federal funding levels to key cultural institutions. It also

includes an examination of possible opportunities for the arts and cultural sector in other expenditure priorities announced in Budget 2013. The second section focuses on the Department of Canadian Heritage, examining its organizational structure, expenditures and staff levels. The third undertakes a more detailed analysis of expenditures across the arts, heritage and cultural industries.

THE BIG PICTURE

This section looks at the 'big picture' for the cultural sector when it comes to expenditures and cuts since Budget 2012.

Budget 2013 continued the government's efforts to return to balanced budgets.

The government has committed to returning to balanced budgets by 2015-2016 by restraining direct program spending growth. While it will not raise taxes or cut transfers to people or to other levels of government for health and social programs, it aims to 'examine new ways to standardize, consolidate and transform the way the Government does business to improve services and achieve efficiencies' (*Budget in Brief*, p.12).

This includes expanded use of telepresence and e-publications, streamlining web sites and standardizing procurement and information technology. **It also includes restraining public sector pay, including greater involvement of the government in collective bargaining with crown corporations like the CBC** (this is discussed in the third section of this analysis).

Through these measures, the government projects the deficit will decline from \$25.9 billion in 2012-2013 to \$18.7 billion in 2013-2014 to \$6.8 billion in 2014/2015 and ultimately to a surplus of \$0.8 billion in 2015-2016, with growing surpluses thereafter.

Budget 2012 announced a total of \$5.2 billion in cuts to be phased in from 2012/13 to 2014/15: \$1.5 billion in 2012/13, an additional \$1.6 in 2013/14 and a further \$2.1 billion in 2014/15. Of this amount, the Heritage portfolio, which includes the Department of Canadian Heritage and national cultural crown corporations and agencies (the CBC, Canada Council, Telefilm, etc.), sustained a \$52.2 million cut in 2012/13, an additional \$78.5 million in 2013/14 and a further \$60.4 million in 2014/15 for a total of \$191.1 million in ongoing cuts.

Following the Money: Easier Said than Done

Budget 2012 did not, however, identify which programs or operations would be directly affected by the cuts – this information slowly began to emerge from affected organizations in the weeks and months following the budget. The Canadian Conference of the Arts' 2012 budget analysis described the state of play in summer 2012; this analysis reminds readers of key details from that analysis and details information that has emerged since that time.

It is very challenging to 'follow the money' when it comes to the Budget 2012 cuts. While expenditures are listed in the estimates documents (Main Estimates and

Supplementary Estimates), cuts are not always clearly identified, and, in fiscal year 2012/13, the supplementary estimates were actually used to **cut** funding to the Department of Canadian Heritage. New expenditures were listed in the supplementary estimates but they were funded in whole or in part by funds 'freed up' through the Budget 2012 cuts. This had the effect, then, of 'robbing Peter to pay Paul'. Whether the arts and cultural sector will come out on the losing end of this process remains to be seen. As detailed in the following sections, sports spending is increasing significantly for the 2015 Pan American and Parapan American Games in Toronto, but when it comes to the cultural sector, new expenditures funded with 'existing resources' tend mainly to be related to history and heritage (e.g., the Canada History Awards) rather than core arts and culture programming.

Table 1 shows expenditures for the Department of Canadian Heritage and selected agencies and crown corporations for the period 2012/13 to 2013/14 (each organization is examined in greater detail further on in the analysis). Readers should note that **the Main Estimates for 2012/13 did not reflect the cuts announced in Budget 2012**, so the Budget 2012 cuts are also listed in Table 1.

As noted in last year's budget analysis, overall, the cultural sector did not fare as badly as it might have. The government committed to maintain funding levels to the Canada Council and federal museums (including the National Gallery). **Nonetheless, some organizations were hit very hard, notably the CBC, the National Film Board and Telefilm Canada, all of which sustained a full ten percent cut to their funding by 2014/15. Library and Archives Canada, the National Arts Centre and the Department of Canadian Heritage also sustained cuts, with 8.2%, 5.3% and 3.5% cuts by 2014/15, respectively.** It must be remembered that these cuts come on top of cuts from Strategic Review processes as well as the need for federal organizations to absorb salary and other administrative increases over the last number of years.

The second, third and fourth columns of the table show expenditures for fiscal year 2012/13: spending in the Main Estimates, the Budget 2012 cut for 2012/13 and Total Expenditures for the year (the latter include expenditures in the Supplementary Estimates). The next two columns show expenditures to date for 2013/14: those in the Main Estimates and the first set of Supplementary Estimates (Supplementary Estimates A), and spending cuts announced in Budget 2012 (both those for this fiscal year and the ongoing cuts as of 2014/15).

The final two columns show the increase (decrease) in expenditures between 2013/14 to date and (a) the Main Estimates 2012/13 and (b) total expenditures in 2012/13 (Main and Supplementary Estimates). Previous years' budget analyses have mainly focused on the difference between expenditures in the Main Estimates year over year. **This year, the analysis focuses on funding changes in the final column of the table, i.e., the difference between expenditures to date in 2013/14 and total expenditures for 2012/13.**

This gives the more accurate reflection of year over year funding changes. Not only did

few organizations receive additional funding in the supplementary estimates last year, but, as noted above, the Department of Canadian Heritage actually reduced its funding via the supplementary estimates: Budget 2012 cuts were used to fund new spending announced in the supplementary estimates. Given the current context of fiscal austerity, it is unlikely that substantial additional funding will accrue to the cultural sector via the supplementary estimates this year.

Table 1 - Cultural Agencies and Crown Corporations, 2012/13 to 2013/14 (millions of dollars)

Table 1: Spending Estimates for the Department of Canadian Heritage and Selected Organizations¹	2012/13 Spending Estimates			2013/14 Spending Estimates to Date		Increase (decrease) between 2013/14 Estimates to date and...	
	Main Estimates	Budget 2012 Cut for 2012/2013	Total Estimates ²	Budget 2012 Cut for 2013/2014 (projected ongoing cut as of 2014/15)	Main Estimates and Supplementary Estimates A ³	Main Estimates 2012/13	Total Estimates 2012/13
Department of Canadian Heritage	1,280.6	(17.8) (1.4%)	1,251.5	(42.2 = 3.3%) (46.2 = 3.5%)	1,317.7	37.1 2.9%	66.2 5.29%
Canada Council for the Arts	181.8	-	181.4	-	180.3	(1.5) (0.8%)	(1.1) (0.6%)
Canadian Broadcasting Corporation	1,074.3	(27.8) (2.6%)	1,106.5	(69.6 = 6.5%) (115.0 = 10.7%)	1,064.8	(9.5) (0.9%)	(41.7) (3.8%)
Library and Archives Canada	117.7	(3.5) (2.7%)	118.4	(6.6 = 5.6%) (9.6 = 8.2%)	98.3	(19.4) (16.5%)	(20.1) (17.0%)
National Arts Centre	35.6	(0.1) (0.3%)	35.7	(1.8 = 5.1%) (1.9 = 5.3%)	33.8	(1.8) (5.1%)	(1.9) (5.3%)
National Gallery of Canada	48.2	-	48.2	-	43.4	(4.8) (10.0%)	(4.8) (10.0%)
Canadian Museum of Civilization	62.5	-	63.4	-	57.4	(5.1) (8.2%)	(6.0) (9.5%)
Canadian Museum for Human Rights	10.0	-	56.7	-	31.7	21.7 217.0%	(25.0) (44.1%)
Canadian Museum of Immigration at Pier 21	10.0	-	10.0	-	18.5	8.5 85.0%	8.5 (85.0%)
Canadian Museum of Nature	33.1	-	33.1	-	25.8	(7.3) (22.1%)	(7.3) (22.1%)
National Museum of Science and Technology	28.9	-	28.9	-	26.5	(2.4) (8.3%)	(2.4) (8.3%)
National Film Board of Canada	66.8	(0.1) (0.1%)	66.8	(3.3 = 5.0%) (6.7 = 10.0%)	62.9	(3.9) (5.9%)	(3.9) (5.8%)

Telefilm Canada	105.7	(2.7) (2.6%)	105.7	(6.0 = 5.7%) (10.6 = 10.0%)	99.6	(6.1) (5.7%)	(6.1) (5.8%)
TOTAL	3,055.2	(52.0) (1.7%)	3,106.3	(130.7 = 4.3%) (191.1 = 6.2%)	3,060.7	5.5 0.2%	(45.6) (1.5%)

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

¹These organizations also generate annual revenues.

²Total expenditures as listed in Budget 2013 (the figures represent the total of expenditures in the 2012/13 Main Estimates and in 2012/13 Supplementary Estimates A, B and C). Annex breaks down the expenditures in the supplementary estimates documents for each organization. Budget 2012 cuts for 2012-2013 are reflected in the figures for the Department of Canadian Heritage: increases in spending announced in supplementary estimates were funded in part by cuts made in 2012/2013. Reductions to other organizations were not reflected in the supplementary estimates. Section three of this analysis details cuts to each organization in the 2012/13 and 2013/14 fiscal years.

³The Department of Canadian Heritage received \$500,000 in additional funds in Supplementary Estimates A for government advertising programs. The Main Estimates figures do not necessarily reflect the Budget 2012 cuts as a number of organizations received additional funding for special projects (e.g., the PanAm games for the Department of Canadian Heritage).

Sources: Government of Canada, *2013-2014 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2013-2014 for the Fiscal Year ending March 31, 2014*; Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012* (Budget 2012); Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2013* (Budget 2013).

Funding Levels Down in 2013/14 – And Down Significantly for Some Organizations in the Heritage Portfolio

As the final cell in the table's bottom row reveals, **overall funding levels are down by close to \$50 million (1.5%)** between expenditures to date this year and total expenditures last year. This amount is roughly equivalent to the Budget 2012 cut of \$52 million for last fiscal year but **readers need to exercise extreme caution when it comes to reconciling the Budget 2012 cuts with the estimates documents.**

For some organizations, the Budget 2012 cuts for this year seem to be reflected in the Main Estimates. This is the case, for example, for the National Arts Centre, where the estimates have declined by \$1.9 million, the rough equivalent of the 5% cut the organization sustained. It also appears to be the case for the National Film Board, whose funding is down \$3.9 million, a little in excess of its \$3.3 million cut for 2013/14, and for Telefilm, whose expenditures are down by the \$6 million cut listed in Budget 2012.

For other organizations, the change in year-over-year funding doesn't readily align with Budget 2012 cuts slated for this year. This is the case for the Department of Canadian Heritage, whose funding is actually up this year by \$66.2 million over last year's total expenditures, while the organization is supposed to experience a \$42.2 million cut in 2013/14. It is also the case for the CBC, which is slated for a \$69.6 million cut, yet it is only down by \$41.7 million, and for Library and Archives, which is down by a whopping \$20.1 million, while it is only slated for a \$6.6 million cut. These differences owe to other funding changes: in the case of the Department of Canadian Heritage, greatly increased funding for the Pan Am games (roughly \$110 million), in the case of the CBC, largely because of a funding increase in last year's supplementary estimates to support additional programming, and in the case of Library and Archives Canada, the conclusion in 2012/13 of funding for capital projects, which raised its estimates levels last year.

In addition, **spending is down for all museums save the Canadian Museum of Immigration at Pier 21.** As explained further on in this analysis, **museum declines owe largely to the conclusion of the five-year \$100 million in special funding allocated to national cultural institutions in the 2008 budget for capital and infrastructure projects.**

All told, then, this "big picture" examination of 2013/14 expenditures to date reveals that **all organizations within the portfolio of Canadian Heritage experienced a cut to their total funding except the Department of Canadian Heritage and the Canadian Museum of Immigration at Pier 21.** Even the Canada Council for the Arts, which was to be shielded from the deficit reduction exercise, saw its funding reduced by \$1.1 million, a reduction of 0.6%. The following sections of this analysis discuss the specifics behind funding changes for each organization.

More Cuts to Come: Large Ongoing Cuts for Some Organizations in 2014/15

It must be remembered that further cuts are coming in 2014/2015 and the total amount of

ongoing cuts is substantial for a number of organizations across the 2012/13 to 2014/15 period: the Department of Canadian Heritage (down a total of \$46.2 million or 3.5% between 2012/13 and 2014/15), the CBC (down \$115 million or 10.7% over the same period), Library and Archives Canada (down \$9.6 million or 8.2%), the National Arts Centre (down \$1.9 million or 5.3%), the NFB (down \$6.7 million or 10%) and Telefilm Canada (down \$10.6 million or 10%). **Overall, funding to the organizations listed in Table 1 will be down by more than \$190 million from 2012/13 to 2014/15. This represents a cut of 6.2% from the 2012/13 Main Estimates spending figures.**

Opportunities Elsewhere in the Budget?

Many arts and cultural organizations underscored to the government in their pre-budget submissions the opportunity to capitalize on the sector's potential for economic prosperity and job growth. Statistics Canada's seasonally adjusted employment figures by major industry group show that job growth over the last year in the information, culture and recreation sector far outpaced job growth across all industries: 2.3% growth for information, culture and recreation versus 1.4% growth industry-wide between August 2012 and August 2013. Unfortunately, this message does not seem to have made it through to the government, and the budget focused instead on economic and job growth in more 'traditional' sectors (natural resources, manufacturing, etc.).

Nonetheless, Budget 2013 may hold opportunities for the arts and culture – if not immediately, perhaps with some efforts to sensitize the government to the benefits of incorporating arts and culture in the initiatives announced in the budget.

For example, the budget provided **\$47 billion in new funding for local and economic infrastructure over the next ten years**. The program begins in 2014/15 and includes \$32.2 billion for the Community Improvement Fund to build 'roads, public transit, recreational facilities and other community infrastructure' (Budget 2013, p.159). This funding envelope may hold great opportunity for cultural infrastructure, but as with previous federal infrastructure funds, the devil will be in the details of project eligibility and funding arrangements between levels of government.

The infrastructure funding also includes \$6 billion to provinces, territories and municipalities for current infrastructure programs. Again, the extent of opportunities for the arts and cultural sector will turn on project guidelines and eligibility. With the new funding commitment, however, there may be a window to pursue changes to existing programs to make them more attractive for the sector.

In response to the report of the House of Commons Standing Committee on Finance on charitable donation tax incentives, The budget also included a **new First-Time Donor's Super Credit (FDSC) for first-time claimants of the Charitable Donations Tax Credit**. This temporary measure aims to encourage 'all young Canadians to donate to charity' by increasing the value of the federal-provincial Charitable Donations Tax Credit by 25 percentage points. The FDSC applies to cash donations claimed to a maximum of \$1,000 in any tax year from 2013 to 2017 if neither the claimant nor their spouse has

claimed the credit since 2007. The value of the credit is substantial: on the first \$200 donated, the federal credit increases from 15% to 40% and on the portion of donations above \$200, the value of the credit increases from 29% to 54% up to a total donation amount of \$1,000.

While the government notes that this measure is designed for young Canadians, there are no age restrictions in respect of this measure. As such, donors of any age – whether first-time or individuals (or couples) who have not claimed a charitable donation since 2007 – will be able to benefit from this temporary credit.

Finally, **the Canada Job Grant**, which aims to provide matching funding to employers for employment-relevant job training, may offer some opportunity for the arts and culture. While the program is geared primarily for traditional economic sectors and is running into some opposition from provincial governments, there may be opportunities for arts and cultural organizations looking to fill management or other administrative positions. Time will tell.

THE DEPARTMENT OF CANADIAN HERITAGE

This section examines the organizational and reporting structure of the Department of Canadian Heritage and spending across its strategic outcomes in the 2011/12 to 2015/16 period. It also examines the impact of the Budget 2012 cuts on staff levels at the organization. The next section analyzes funding levels and changes to key grant and contribution programs at the department.

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). Minister Glover was named Minister of Canadian Heritage over the summer, in a cabinet shuffle which saw the previous minister, the Honourable James Moore, appointed Minister of Industry. Until becoming a Member of Parliament in 2008, Ms. Glover was a member of the Winnipeg Policy Service for almost 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), who remained in this position in the July cabinet shuffle.

The Canadian Heritage Portfolio comprises the Department of Canadian Heritage and more than a dozen other cultural organizations, including 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 more than a dozen service points across the country.

Departmental Priorities.

According to the Department's 2013/2014 Report on Plans and Priorities, the Department has four priorities for this fiscal year:

- taking advantage of digital technology, including support to arts and heritage organizations to use digital technologies in their activities (e.g., support for the Virtual Museum of Canada, for multiplatform content development via the Canada Media Fund and implementing the *Copyright Modernization Act*);
- celebrating Canada's heritage and history to strengthen national identity, including

- celebrating Canada's 150th anniversary in 2017;
- investing in communities (e.g., implementing a new federal strategy for Canada's official languages and supporting the Toronto 2015 Pan American and Parapan American Games), and
- maintaining financial sustainability and excellence in service, including streamlining how grants and contributions are administered (e.g., online applications by 2015).

These priorities are virtually identical to those of 2012/13. Prior years' priorities tended to be larger in number and broader in scope (often closer to ten priorities, with more explicit mention of issues like linguistic duality, production and dissemination of Canadian cultural content, and support of high performance athletes). Priorities in previous years also did not place such great emphasis on Canada's history and history-related issues as has been the case over the last two to three years.

Departmental Reporting Structure and Expenditures Across Strategic Outcomes.

Since 2009/2010, 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 below 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.

Table 2: Department of Canadian Heritage: Program Activity Architecture and Expenditures, 2011/12-2015/16¹

Strategic Outcomes	Program Activities	Program Sub-Activities	Actual Spending 2011/12	Forecast and Planned Spending \$ millions			Planned Spending \$ millions	
				Forecast Spending 2012/13	Planned Spending 2013/14	Increase/ (Decrease) in Spending	2014/15	2015/16
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, Fathers of Confederation Buildings Trust	110.4	126.8	117.8	(9.0) (7.1%)	115.8	37.1
	Cultural Industries	Broadcasting and Digital Communications Policy, Canada Media Fund, Film and Video Policy, Film or Video Production Tax Credits, Canada Music Fund, Canada Book Fund, Canada Periodical Fund, Copyright Policy, Cultural Sector Investment Review, TV5	311.3	308.2	299.9	(8.3) (2.7%)	297.3	280.0
	Heritage	Museums Assistance Program, Canada Travelling Exhibitions Indemnification Program, Canadian Heritage Information Network, Canadian Conservation Institute, Movable Cultural Property Program	41.4	37.1	40.3	(3.2) (8.6%)	40.4	36.3
Total Strategic Outcome 1			461.8	472.1	458.0	(14.1) (3.0%)	453.5	353.4
Human Resources (FTEs)			NA	NA	521.9	-	516.1	431.4
Strategic Outcome 2: Canadians share, express and appreciate their Canadian identity	Attachment to Canada ¹	Celebration and Commemoration Program, State Ceremonial and Protocol, Canadian Studies Program, Exchanges Canada Program, Youth Take Charge	78.1	74.4	56.9	(17.5) (23.5%)	52.3	51.1
	Engagement and Community Participation	Human Rights Program, Building Communities through Arts and Heritage, Aboriginal Peoples' Program	82.2	49.2	46.1	(3.1) (6.3%)	41.3	41.3
	Official Languages	Development of Official-Languages Communities Program, Enhancement of Official Languages Program, Official Languages Coordination Program	359.5	353.7	348.4	(5.3) (1.5%)	348.4	348.4
Total Strategic Outcome 2			519.8	477.3	451.4	(25.9) (5.4%)	442.0	440.8

Human Resources (FTEs)			NA	NA	293.0	-	291.3	291.3
Strategic Outcome 3: Canadians participate and excel in sport	Sport	Hosting Program, Sport Support Program, Athlete Assistance Program	213.2	223.2	332.9	109.7 49.1%	397.6	218.2
Total Strategic Outcome 3			213.2	223.2	332.9	109.7 49.1%	397.6	218.2
Human Resources (FTEs)			NA	NA	127.0	-	127.4	126.2
Internal Services		Governance and Management Support, Resource Management Services, Asset Management Services	113.7	95.5	74.9	(20.6) (21.6%)	74.8	74.7
Human Resources (FTEs)			NA	NA	551.4	-	550.5	542.9
TOTAL SPENDING LISTED IN REPORT ON PLANS AND PRIORITIES			1,308.5	1,268.1	1,317.2	49.1 3.9%	1,367.9	1,087.1
Human Resources (FTEs)			NA	NA	1,493.3	-	1,485.3	1,391.9
CUTS TO THE DEPARTMENT ANNOUNCED IN BUDGET 2012			-	(17.8)	(42.2)	-	(46.2)	(46.2)

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

¹Formerly 'Promotion and attachment to Canada'.

Sources: Canadian Heritage, *2013-2014 Report on Plans and Priorities*; Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012 (Budget 2012)*.

The final six columns of the table show Actual Spending, Forecast Spending and Planned Spending for the 2011/12 to 2015/16 period, as presented in the Department's 2013/14 *Report on Plans and Priorities (RPP)*. These columns also show human resources attributed to each Strategic Outcome individually and in total for the 2013/14 to 2015/16 period (measured in Full Time Equivalents, or FTEs, each of which is essentially the equivalent of a full time position; figures for 2012/13 are not listed in the RPP).

Readers need to bear in mind that the Planned Spending figures for 2014/15 and 2015/16 have not been voted on by Parliament so are subject to change by the government. They also don't reflect expenditures for programs that are up for renewal. In addition, government documentation lacks considerable clarity when it comes to reconciling the cuts to the Department announced in Budget 2012 (\$17.8 million in 2012/13, an additional \$24.4 million in 2013/14 and a further \$4.0 million in 2014/15 for a total ongoing cut of \$46.2 million) with the figures in the Department's *Report on Plans and Priorities*. As such, these figures should be interpreted with extreme caution.

With these caveats in hand, a few observations can be made. The first is that **between 2012/13 and 2013/14, funding reductions in the Department are borne primarily by the first and second Strategic Outcomes** (reductions of \$14.1 million and \$25.9 million, respectively), **along with Internal Services** (down \$20.6 million or 21.6%). **Sports**, the third Strategic Outcome, **increases significantly between 2012/13 and 2013/14** from \$223.2 million to \$332.9 million, for an increase of \$109.7 million (almost 50%). The increase owes to growth in funding for the Toronto 2015 Pan American and Parapan American games. Overall, departmental expenditures grow by \$49.1 million (3.9%) between 2012/13 and 2013/14. (The \$49.1 million increase differs from the increases shown in Table 1 in the previous section because the RPP lists the 'forecast spending' for 2012/13 rather than the main and supplementary estimates figures).

The reductions to the first and second Strategic Outcomes and Internal Services between 2012/13 and 2013/14 total \$61 million, well in excess of the \$24.4 million to be cut from the department in 2013/14. Part of this difference owes to some initiatives coming to an end (e.g., the Roadmap for Canada's Linguistic Duality 2008-2013, which has subsequently been renewed) but also, in the case of Internal Services, departmental initiatives to pursue financial stability in the department. As such, **it is very difficult to trace directly the impact of the Budget 2012 cuts** in Table 2. The following section provides details on specific program cuts in the cultural sector, most of which were announced last year.

The second observation pertains to the medium-term spending projections. Planned spending for 2014/2015 and 2015/2016 trends downward again for the first and second Strategic Outcomes (as do FTEs), while Internal Services holds steady (along with FTEs) and Sports spending increases again in 2014/15 but declines back to 2012/13 levels in 2015/16 (FTEs hold steady over this period).

Declines for the first Strategic Outcome are particularly large in 2015/16, but this owes

primarily to the need to renew a number of key programs (e.g., the Canada Arts Presentation Fund, the Canada Cultural Spaces Fund, the Canada Cultural Investment Fund, the Canada Music Fund, the Canada Book Fund). Funding reductions to the second Strategic Outcome are likewise related to programs scheduled to sunset in 2013/14 (the Aboriginal Languages Initiative of the Aboriginal Peoples' Program and the Roadmap for Canada's Linguistic Duality 2008-2013, which has now been renewed). Increases for Sport are again due to the 2015 Pan Am Games.

The final observation underscores yet again the challenge of 'following the money' when it comes to the Budget 2012 cuts. The bottom of the table shows the cuts for the 2012/13 to 2015/16 period announced in Budget 2012. In theory, departmental spending should be declining over this period, yet the Department's Total Spending figures listed in its *Report on Plans and Priorities* (the figures two rows above) show that spending is set to **increase** over the 2012/13 to 2014/15 period. It is only in 2015/16 that we see reductions to total spending, and here, as previously noted, much of this is related to programs needing renewal, so the ultimate spending figures might be quite different.

Nonetheless, it is important to note that **where we do see declines between 2012/13 and 2014/15, it is in the first and second Strategic Outcomes - those that concern the arts and cultural sector the most.** In the first Strategic Outcome, spending is set to drop about \$20 million between 2012/13 and 2014/15. In the second, it's slated for a roughly \$35 million decline. An additional \$20 million is being shaved from Internal Services over this period. If we add these figures up, the total funding reduction is \$75 million, well in excess of the \$46.2 million in ongoing cuts to the Department announced in Budget 2012. **All told, it is very unclear precisely how and where the Budget 2012 cuts will be felt within the Department.**

What is clear, though, is that Sports spending is set for major increases over the next couple of years.

In addition, as noted in the previous section, the government has been using 'savings' identified through the Budget 2012 process to fund new initiatives. Where this involves shifting funding from arts and culture programs to other purposes, there is a real danger that the sector may come out on the losing end of the expenditure restraint exercise.

The main question mark regarding the table, then, pertains to the Budget 2012 cuts: while information on the actual impact of the \$17 million in cuts for 2012/13 is now known (see next section), we do not yet know precisely where the cuts will come from in 2013/14 (a further \$24.4 million in cuts) and in 2014/15 (an additional \$4.0 million to bring the total ongoing cut for the department to \$46.2 million).

Staff Reductions.

The Department indicated last year that the Budget 2012 cuts would result in the elimination of 38 positions. This came on top of a whopping 500 positions that had

already been eliminated in previous internal deficit reduction exercises (360 were permanent positions and 140 were positions associated with the Vancouver 2010 Olympics and the Shanghai Expo).

The Department had accumulated an internal structural deficit of some \$60 million since 2003 and it grew to \$66 million following the need for all government departments to absorb payroll budget increases. Forty million dollars of this deficit had already been eliminated prior to Budget 2012 through staff and program cuts to international spending, programs, travel, management and intergovernmental issues, and internal administrative efficiencies. Another 245 positions were to be abolished between 2012/13 and 2015/16 as the remaining \$26 million of the internal deficit is eliminated. Of these, the department noted that it expected to be able to limit the direct effect of the cuts to 175 employees or less by, for example, eliminating vacant positions.

As shown in Table 2, between 2013/14 and 2015/16, the department anticipates the total number of Full Time Equivalent positions in the organization to drop from 1,493.3 to 1,391.9 (101.4 FTEs or 6.8%; figures for 2012/13 were not provided in the department's *Report on Plans and Priorities*). Virtually all of these FTEs are being eliminated from the first Strategic Outcome on arts, heritage and cultural industries. This needs to be interpreted with caution, though, as staff reductions flow mostly from the sun setting in 2013/14 of the various programs noted above. If programs are renewed, the reduction would no doubt be far less severe. Between this fiscal year and next, reductions to FTEs are relatively modest: from 1,493 in 2012/13 to 1,485 in 2013/14, a mere 8 FTEs.

Nonetheless, the department's staff complement has been reduced substantially over the last few years owing in part to Budget 2012 cuts but mainly to internal deficit reduction exercises.

DEVELOPMENTS ACROSS CULTURAL SUB-SECTORS

This section examines expenditures, cuts and key developments in the organizations listed in Table 1 and in key arts and culture programs at the Department of Canadian Heritage. Expenditures by the Department of Canadian Heritage in the areas of official languages, aboriginal programs, and sport are also briefly examined to keep a watch on trends across these other areas of programming.

Table 3 shows funding in fiscal years 2012/13 and 2013/14 across key grants and contributions at the Department of Canadian Heritage. It shows total expenditures for 2012/13 (Main and Supplementary Estimates), expenditures in the 2013/14 Main Estimates and Supplementary Estimates A and program cuts announced following Budget 2012. **Additional expenditures could be forthcoming through Supplementary Estimates B and C, which will be tabled later this year.**

As described below, **funding to arts and culture programs at the Department of Canadian Heritage held very steady, with the exception of four programs cut following Budget 2012** (i.e., Cultural Capitals of Canada, Canada Interactive Fund and the Creators' Assistance Component and the Entrepreneurs Component of the Canada Music Fund). **The Department recently announced the creation of the Canada History Fund** to promote Canada's history. With funding of \$4.3 million in 2013/14 and \$12 million annually thereafter, the new program includes the creation of the Canada History Awards for students and teachers, additional funding to enable veterans and soldiers to meet with students, the creation of Canada History Week (July 1-7) and additional support for the Exchanges Canada Program for students (a full description of the program's components appears in the 'heritage' section below). **The government indicates that the funding for this new program is sourced from 'existing resources' but it is not clear yet where the money is coming from.**

-----ARTS-----

The ***Building Communities Through Arts and Heritage*** program seeks to 'increase opportunities, through festivals and other events and activities, for local artists and artisans to be involved in their community [the Local Festivals component] and for local groups to commemorate local history and heritage [the Community Anniversaries component and the Legacy Fund]' (Department of Canadian Heritage website). **Funding to this program remained unchanged from 2012/13, at \$17.7 million. It has not been affected (thus far) by the Budget 2012 cuts.**

Table 3: Department of Canadian Heritage: Selected Grants and Contributions, 2012/13 to 2013/14 (dollars)

Grant/Contribution	Cuts Announced following Budget 2012	2012/13			2013/14
		Main Estimates	Supplementary 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	28,972,742
Canada Arts Training Fund		22,779,440	-	22,779,440	22,779,440
Canada Cultural Investment Fund	<i>Cultural Capitals of Canada eliminated in 2012/13</i>	25,035,455	-	25,035,455	21,972,205
Canada Cultural Spaces Fund		27,458,613	-	27,458,613	27,358,613
Canada Interactive Fund	<i>Eliminated in 2012/13</i>	6,346,244	-	6,346,244	-
Heritage					
Museums Assistance Program		15,739,964	-	15,739,964	15,739,964
Canada History Fund		-	-	-	4,300,00
Cultural Industries					
Canada Book Fund		36,666,301	500,000	37,166,301	36,666,301
Canada Media Fund (formerly Canada New Media Fund and Canadian Television Fund)		134,146,077	-	134,146,077	134,146,077

Canada Music Fund	<i>Creators' Assistance Component eliminated in 2012/13</i>	25,828,331	-	25,828,331	22,789,231
Canada Periodical Fund		74,774,598	-	74,774,598	74,774,598
Other Grants and Contributions					
Celebration and Commemoration Program		15,494,367	5,310,000	20,804,367	14,494,367
Sport Grants & Contributions					
Athlete Assistance Program		27,000,000	1,000,000	28,000,000	28,000,000
Sport Support Program		143,815,064	3,000,000	149,815,064	145,815,064
Hosting Program		22,395,000	14,386,319	36,781,319	146,109,211
Official Languages					
Enhancement of Official Languages Program		111,523,131	-	111,523,131	111,523,131
Development of Official-Language Communities Program		225,120,890	5,000	225,125,890	221,671,990
Aboriginal Peoples' Program		29,050,771	-	29,050,771	17,549,757

Note

¹ Supplementary Estimates A did not include any additional funding for programs in this table (it provided \$500,000 in additional funding to the Department of Canadian Heritage for government advertising programs).

Sources:

Government of Canada, *2012-2013 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2012-2013 for the Fiscal Year ending March 31, 2013*; Government of Canada, *Supplementary Estimates (B) 2012-2013 for the Fiscal Year ending March 31, 2013*; Government of Canada, *Supplementary Estimates (C) 2011-2012 for the Fiscal Year ending March 31, 2013*; Government of Canada, *2013-2014 Estimates, Parts I and II: The Government Expense Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2013-2014 for the Fiscal Year ending March 31, 2014*. Budget 2012 program cuts announced on Department of Canadian Heritage website.

Funding to the *Canada Arts Presentation Fund* also held steady in 2013/14 at \$29 million. The program 'gives Canadians direct access to a variety of quality artistic experiences by providing financial assistance to arts presenters and the organizations that support them' (Department of Canadian Heritage website). **Funding to this program has not been affected as yet by the Budget 2012 cuts but it is up for renewal next year. If it is not renewed, the program will sunset at the end of the 2014/15 fiscal year.**

In 2013/14, **funding to the *Canada Arts Training Fund* also remains unchanged at \$22.8 million.** The program 'contributes to the development of Canadian creators and future cultural leaders of the Canadian arts sector by supporting the training of artists with high potential through institutions that offer training of the highest calibre' (Department of Canadian Heritage website). **The program has not been affected as of yet by the Budget 2012 cuts.**

The ***Canada Cultural Investment Fund*** seeks to 'strengthen organizational effectiveness and build capacity of arts and heritage organizations' (Department of Canadian Heritage website). **Funding to this program declined from \$25 million to \$22 million in 2013/14 due to the elimination of the Cultural Capitals of Canada component following Budget 2012. The program is up for renewal in 2014/15.**

The program is comprised of three components. The *Endowment Incentives* component encourages Canadians to contribute to arts endowment funds by providing matching funds. **The Endowment Incentives component was one of the only arts programs touched directly by Budget 2013:** the budget announced that starting in 2013, organizations could receive total matching funds of up to \$15 million over the life of the program (up from a \$10 million total previously, a 50% increase). The change aims to provide larger organizations (e.g., the National Ballet, the Banff Centre, Stratford, etc.) with enhanced matching grant support, but no additional funds have been allocated to the program.

The ***Strategic Initiatives*** component funds 'projects involving multiple partners that will help arts and heritage organizations strengthen their management abilities, make strategic use of new technologies and diversify their revenues' (Department of Canadian Heritage website). The ***Limited Support to Endangered Arts Organizations*** component, for its part, was created 'for those rare instances where a professional arts organization faces the prospect of closure but there is a high degree of support for its continuation and a viable business/restructuring plan' (Department of Canadian Heritage website).

Funding to the *Canada Cultural Spaces Fund* remained unchanged at \$27.4 million. The program aims 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 displays' (Department of Canadian Heritage website). **While funding to this program has not been directly affected by Budget 2012, it is scheduled to sunset in 2014/15 if it is not renewed.**

As noted in last year's budget analysis, the *Canada Interactive Fund*, a program with a budget of \$6.3 million in 2012/13 (\$10.8 million in 2011/12), was eliminated following Budget 2012. This program aimed to 'support the creation of online Canadian interactive content and applications developed by Official Language Minority Communities (OLMCs), Aboriginal, ethnocultural and other not-for-profit cultural organizations' (Department of Canadian Heritage website).

***Canada Council for the Arts*. The government committed not to cut Canada Council funding in its deficit reduction exercise. Nonetheless, as shown in Table 1, funding to the Canada Council declined slightly in 2013/14 to \$180.3 million.** This is down from the \$181.8 million the Council received in the 2012/13 Main Estimates and represents a decline of roughly \$1 million owing to conclusion of the Roadmap for Canada's Linguistic Duality. The Roadmap was renewed in April 2013 and the \$1 million in funding to the Canada Council was restored for the translation program for publishers working in either official language.

In 2012/13, the Council transferred \$520,000 to the Department of Canadian Heritage in Supplementary Estimates B for the return of funding for the National Translation Program for Book Publishing (\$500,000) and to support joint statistical research on the arts (\$20,000). In the same year, the Council received a transfer of \$127,000 from the Department of Canadian Heritage 'to support multilateral cooperation projects in French language, as well as to ensure Canada's participation in meetings of the Commission internationale du théâtre francophone'.

Overall, then, Canada Council funding is down approximately \$1.5 million from the 2012/13 Main Estimates. While the decline is very modest (less than 1%), **on a per capita constant dollar basis, funding to the Council has actually declined 2.5% since 2005/06.**³

In addition, as noted in last year's budget analysis, the Council has increased by \$2 million its support for artists and arts organizations to access international markets so it is effectively doing more with less. Moreover, it must be remembered that the Canada Council also derives funding from its endowment fund, which remains under strain given ongoing financial market volatility and downturns. Fortunately, to date, this has not reduced Council grants given reserves maintained from previous years' investment income.

Table 1 shows that **funding to the *National Arts Centre* in this year's Main Estimates was down \$1.8 million (5.1%) from last year's Main Estimates. This is in keeping with the Budget 2012 cuts to the NAC: 0.3% cut in 2012/13, 5.1% in 2013/14 and an ongoing cut of 5.3% in 2014/15.** The NAC received a transfer of \$75,000 in 2012/13 Supplementary Estimates C for the biennial *Zones théâtrales*. **The cuts have been directed primarily at programming,** which is down from \$18.1 million in 2012/13 to

³ Documentation prepared by the Canada Council for the Arts (document entitled *Parliamentary Appropriation, 2005-06 to 2012-13*).

\$16.6 in 2013/14. Internal services decline from \$11.6 million to \$11.3 million.

Funding to the **National Gallery** dropped 10% this year, from \$48.2 million in the 2012/13 Main Estimates to \$43.4 million in the current fiscal year. The decline is not due to Budget 2012 – the government has retained its commitment to preserve funding to the Gallery. Rather, **the reduction is due to the conclusion of special funding the Gallery received in the 2008 budget** (\$14.8 million over five years for repairs related to health and safety issues).

In February, however, the Gallery eliminated 29 positions to address a long-term budget short-fall and focus on generating revenues and enhancing visitor experiences. Twenty-one full-time employees lost their jobs, six vacant positions were cut and two positions won't be filled following retirements. The positions were in the fields of graphic design, information technology, registration and exhibitions. **The Gallery also announced it was creating seven new jobs to develop revenue and work in visitor engagement.**

Finally, in 2012/13, more than \$3 million was allocated via the supplementary estimates to foundations established in the name of former governors general. The **Hnatyshyn Foundation** received a grant of \$2.5 million in the 2012/13 Supplementary Estimates B 'to celebrate excellence in the arts' and the **Michaëlle Jean Foundation** received a grant of \$557,232 in Supplementary Estimates C 'to promote arts, creativity and civic participation'.

-----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 projects designed to ensure that Canadians have access to and experience Canada's diverse cultural heritage' (Department of Canadian Heritage website). As noted in previous budget analyses, despite the steady level of funding, the program has not seen a major increase in funding since 1982.

The program did, however, receive an increase of up to \$1 million annually in the measures announced in June by Heritage Minister Moore to promote Canadian history. The increase, to come into effect next fiscal year, will help museums to borrow artifacts from the collection of the Canadian Museum of History (the new name given to the Canadian Museum of Civilization, as discussed below). In addition, starting next fiscal year, the program will eliminate the need for travelling history exhibits to circulate outside of their province/territory of origin to qualify for funding.

In June 2013, the government announced the creation of the Canada History Fund, which will receive a total of \$4.3 million this fiscal year, and \$6.3 million annually as of 2014/15. The Fund 'will connect youth to their history through the first ever Government of Canada History Awards, which will honour outstanding students and teachers who show an interest in celebrating Canadian history' (Department of Canadian

Heritage website). The awards will be managed by Canada's History, an independent organization that administers the Governor General's History Awards.

The new Fund will also provide \$400,000 to the Historica-Dominion Institute for the production of Heritage Minutes as well as a doubling of the funding the Institute currently receives to support veterans and soldiers to speak to students. Publications like the *Dictionary of Canadian Biography* and *The Canadian Encyclopedia* will also receive additional funding (approximately \$4 million) for the production of more Canadian history content.

As part of this announcement, the government also created Canada History Week (July 1-7), to support Canadians 'to learn more about their history through local and national activities and events' (Department of Canadian Heritage website).

The announcement also provided additional funding to existing programs at the Department of Canadian Heritage for Canadian history-focused programming: Exchanges Canada (an additional \$3.6 million annually), the Canada Book Fund (up to \$200,000 more per year, further detailed below), the Canada Periodical Fund (up to \$375,000 per year, further detailed below), the Museums Assistance Program (as noted above, up to \$1 million annually) and the Virtual Museum of Canada (up to \$500,000 in additional funding).

Somewhat ironically, as the Department prioritizes the funding of history related activities, **Library and Archives Canada. Library and Archives Canada sustained significant cuts in Budget 2012: a reduction of \$3.5 million (2.7%) in 2012/13 ramping up to \$9.6 million (8.2%) in 2014/15 (see Table 1).** Funding to the organization was down \$19.4 million from last year's Main Estimates: from \$117.7 million in the 2012/13 Main Estimates to \$98.3 million in the 2013/14 Mains. However, the reduction owes largely to \$16.4 million in capital expenditures in 2012/13 for the conversion of a Gatineau facility to a Collection Storage Facility. **The Budget 2012 cuts reduced spending by a total of \$6.6 million in the 2013/14 Main Estimates.** The organization also received an increase of \$2.4 million in funding from Public Works and Government Services Canada for 'space consolidation and rationalization' and there was a \$1.2 million increase for collective agreements.

Library and Archives Canada also received modest transfers in the 2012/13 Supplementary estimates: a transfer of \$222,902 from the Department of Canadian Heritage for the 'acquisition and preservation of Canadian feature films' and \$402,010 from Public Works and Government Services as reimbursement due to a 'reduction in accommodation requirements'.

The Budget 2012 cuts to Library and Archives have prompted significant criticism from archivists, academics, the museum sector and ordinary Canadians. **To date, the organization has announced the elimination of the National Archival Development Program, a \$1.7 million program** that provided funding to provincial/territorial archives councils for distribution to local archival activities. **It has also significantly curtailed its**

acquisitions program, although this predates Budget 2012 (in 2012/13 it only spent \$12,000 on historical items, down from \$385,461 in 2008/09). The result is that many important historical documents are increasingly being sold to private collectors. **It also discontinued the Canadian Library Gateway**, a national web portal, **and instituted cost recovery fees for room and equipment rentals** at its Ottawa offices.

At Library and Archives itself, the cuts are having significant impact on the number of staff at the organization, particularly when added to previous cuts owing to a modernization process predating Budget 2012. As reported in last year's budget analysis, close to 200 positions, roughly twenty percent of the organization's staff, will be eliminated. The organization is now down to 850 full time employees from 1,065 in 2012/13.

In addition, Library and Archives is also reducing support for public access to the archives: there are fewer reference staff, the Inter-Library Loan program has been cancelled (books will only be loaned if the sole copy is at Library and Archives), the public will need to make appointments for reference requests, and there will be fewer private archivists and media specialists.

Funding to the Canadian Museum of Civilization was down approximately 5% in this year's Main Estimates, from \$62.5 million in 2012/13 to \$57.4 in 2013/14 (see Table 1). **The decline is due primarily to the conclusion of the \$100 million in funding provided in Budget 2008** to national cultural institutions for 'operating and infrastructure pressures'. A small portion of the decline (\$115,000) was due to a decrease in costs related to the commemoration of the War of 1812. Given the government's commitment to protect federal museums from the Budget 2012 deficit reduction action plan, the Museum did not sustain cuts in this process.

Nonetheless, **the Museum laid off 14 employees in May 2013 as a result of a 'significant' budget shortfall** due to rising expenses and revenues that are not increasing. The cuts affect jobs across the organization. This information comes on the heels of the organization's response to questions submitted by NDP MP Andrew Cash, which revealed that **the number of curators working at the Civilization and War Museums has declined by one-third since 2005 (from 25 to 16)**. The total number of employees with research positions has fallen from 48 to 39 over this same period.

Of course the headline 'news' for the Canadian Museum of Civilization is its transformation into the newly created Canadian Museum of History. The government announced this change in the fall of 2012 as the 'first in a series of measures on the road to Canada's 150th birthday in 2017' (Museum of Civilization website). In the process, the Museum will renovate over 50,000 square feet of its space and 'highlight the national achievements and accomplishments that have shaped our country' (Museum of Civilization website). Of note, **the government indicates that the changes will be undertaken 'using existing resources** and partnerships with museums from across Canada'.

The government has provided the Museum with a one-time \$25 million investment to undertake the transformation. It is believed that the ‘existing resources’ funding this investment come from the now defunct Canada Prizes for the Arts and Creativity, a \$25 million spending announcement in the 2009 budget that was never implemented. In 2012/13, the organization received an additional \$1 million via Supplementary Estimates C for creation of the Canadian Museum of History. Although \$93,000 of this amount was sourced from the return of funds allocated to the Prince of Wales Northern Heritage Centre, the remaining \$907,000 appear to be new funding – not reallocated resources.

Since the announcement, the Museum has consulted Canadians across the country on key ‘themes, events and accomplishments’ in Canadian history and created an online forum (www.civilization.ca/myhistorymuseum) to solicit input. The government has also begun to sign partnerships with museums across the country for the purposes of sharing the Museum’s collection with other institutions.

Funding to the *Canadian Museum for Human Rights* declined substantially. In 2012/13, the organization received a total of \$56.7 million (\$10 million in the Main Estimates and the remainder in the supplementary estimates) while in the 2013/14 Main Estimates it received \$31.7 million (see Table 1).

The decline is due largely to the large sum received in the 2012/13 supplementary estimates for building construction, exhibits and other operating costs. This amount was provided as an ‘advance’ to the museum on future parliamentary appropriations given that public fundraising for construction of the museum has not advanced as rapidly as museum leaders had hoped. Given this, the government provided the museum with financial flexibility to address the issue.

The original agreement between the museum and the federal government still stands: the government provided a total of \$100 million towards construction (total construction costs are \$351 million) and has committed to providing \$21.7 million annually for operating expenditures. The additional funding received in this year’s Main Estimates and via the supplementary estimates last year is essentially an ‘advance’ to the museum of approximately \$45 million it needed to make its construction payments. This amount will then be ‘paid back’ by reductions in future parliamentary appropriations (the reductions will be compensated for by private donations as they come on stream). Overall, the government will not be providing any additional funding to the Museum over the original agreement.

The construction completion date was originally set for 2012, but by the end of last year, the museum building was not quite completed. It has begun to welcome visitors for outdoor tours and the official opening is scheduled for 2014 (see www.humanrightsmuseum.ca).

In keeping with the government’s commitment to sustain funding to federal museums, **the Museum has not been directly affected by the Budget 2012 cuts.**

The **Canadian Museum of Immigration at Pier 21** has the mandate to ‘explore the theme of immigration to Canada in order to enhance public understanding of the experiences of immigrants as they arrived in Canada, of the vital role immigration has played in the building of Canada and of the contributions of immigrants to Canada’s culture, economy and way of life’ (Museums Act). Created as a national museum in 2011/12, **the Museum received \$10.0 million in last year’s Main Estimates. This figure increased to \$18.5 million in the 2013/14 Main Estimates. The increase is due primarily to capital costs for museum accommodations (renovation and construction).**

As shown in Table 1, **funding to the *Canadian Museum of Nature* declined from \$33.1 million in 2012/13 to \$25.8 million in 2013/14.** The decline is due to the sun setting of five years of funding attributed to the organization in Budget 2008 to ‘address operating and infrastructure pressures.’ **The Museum was protected from budget cuts in the deficit reduction action plan.**

Funding to the *National Museum of Science and Technology* dipped \$2.4 million between 2012/13 and 2013/14 (see Table 1). The reduction owes to conclusion of funding received by national cultural institutions in Budget 2008 to address ‘operating and infrastructure pressures.’ **Like other federal museums, the organization was not impacted by the Budget 2012 cuts.**

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

Broadcasting, Audiovisual Production and New Media

Canada Media Fund. The Canada Media Fund ‘fosters, develops, finances and promotes the production of Canadian content and applications for all audiovisual media platforms’ (CMF website). **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 the fund was over \$350 million for the 2011/12 year (the most recent annual report available).

Canadian Broadcasting Corporation/Radio-Canada. The CBC/Radio-Canada was hit very hard by Budget 2012: it sustained a cut of \$27.8 million in 2012/13 (2.6%) and this will ramp up to \$115.0 million in 2014/15 (10.7%). The cut includes the \$60 million top-up it has been receiving for Canadian programming since 2001.

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 is facing \$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.

While CBC/Radio-Canada remains committed to its 2015 Strategic Plan, it has had to scale back its plans and will eliminate a total of 650 full-time equivalents between 2012/13 and 2014/15 (FTE, the equivalent of 650 full-time positions): 256 to the CBC, 243 to Radio-Canada and 151 to corporate services. The figures for 2012/13 alone were 215 to the CBC, 153 to Radio-Canada and 105 to corporate services (473 FTEs). **These staff reductions come on top of the 800 positions lost during the financial crisis.**

To meet its \$200 million challenge, it is undertaking a total of \$150 million in expenditure reductions to the CBC (\$58 million), Radio-Canada (\$52 million) and corporate services (\$40 million). The remaining \$50 million will be addressed with revenue increases at the CBC (\$28 million), Radio-Canada (\$12 million) and corporate services (\$10 million).

The impacts on programming are continuing to rolling out. As noted in last year's analysis, the **CBC** will increase repeats, delay launching a number of local radio expansions, reduce radio programming, delay creating a digital children's channel, and eliminate the Cross Cultural Fund, which pays for some of its programming. The organization also closed a number of international bureaus and reduced its in-house documentary unit. The organization accelerated the shutdown of analogue transmitters to July 2012 for \$10 million in savings and announced late last summer that it would sell **bold**, one of its specialty digital TV channels.

At **Radio-Canada**, the organization announced last year that there would be no new expansions in local service, plans for a sports digital television channel were dropped, fewer television episodes will be produced, radio programming will be reduced, regional music libraries will close, and the number and budget of 'signature events that bring Canadians together' will be reduced. Documentaries were also hit, with Zone doc reducing the number of its documentaries from 18 to 12 this year.

Radio Canada International (RCI) is also reducing spending by about \$10 million annually by focusing on webcasting (no more satellite and shortwave transmissions), ceasing production of news broadcasts and reducing from seven languages to five the online content it provides (the Russian and Brazilian sections will be shut down).

Expenditure cuts to corporate services include increasing the employee-paid portion of the defined benefit pension plan from 34% to 40% over two years (\$5 million in savings) and reducing the organization's real estate footprint by 800,000 square feet by 2017 (including selling its Calgary building, reducing the size of La Maison Radio-Canada in Montreal and leasing rather than owning in Halifax).

The \$50 million sought through revenue increases will focus on strengthening existing TV advertising and pursuing digital advertising, leasing a large square footage of the CBC Centre in Toronto, selling off some of its buildings, and adding advertising and sponsorship to CBC Radio 2 and Espace musique.

Another measure following Budget 2013 was the government's proposal to

change the collective bargaining process at Crown Corporations to require the approval of cabinet for collective agreements negotiated between Crown Corporations and their unions. The CBC publicly expressed its concerns to the government over this proposed measure in a press release at the beginning of May, indicating that it planned to meet with the government to discuss the bill. Since this time, the bill passed third reading in the House of Commons on June 10th 2013 and received royal assent on June 26th. The Friends of Canadian Broadcasting have been very critical of this measure as it could potentially reduce the independence of the CBC if the government is directly involved in establishing the conditions of work at the organization. It remains to be seen how and to what extent the new legislative framework will be used by the government.

However, **one bright spot for the CBC was the additional \$32.2 million it received in the 2012/13 Supplementary Estimates B** for English and French language programming on television, radio and digital services.

As Table 1 shows, **the *National Film Board* and *Telefilm Canada* were also in the crosshairs of Budget 2012: both organizations will sustain cuts of 10% by 2014/15. This represents a reduction of \$6.7 million to the NFB's \$66.8 million budget and a \$10.6 million cut to Telefilm's \$105.7 million budget.**

As shown in Table 1, **funding to the *National Film Board* is down close to 6%, from \$66.8 million in 2012/13 to \$62.9 in 2013/14.** Most of this decline owes to the 2012 budget cut (\$3.3 million), with a further \$591,000 in reduced expenditures due to lower rates in the Employees Benefit Plan and a transfer of \$30,000 for a payroll administration transformation initiative. **The organization is slated for an ongoing cut of 10% come 2014/15** (a reduction of \$10.6 million annually).

As noted in last year's budget analysis, the impacts of the cuts are already rolling out. They include closing viewing posts and cinemas in Toronto and Montreal, eliminating grants and contributions to 'festivals and events' (support for film coops was maintained), reducing the scope of support to independent productions, decreasing its production budget by 1%, eliminating some jobs in regional offices and streamlining office space. Seventy-three positions (full and part-time) will be cut in this process but on the positive side, it is anticipated that twelve new positions will be created as a result of the reorganization process. The organization also committed to maintaining its budgets for French-language productions across Canada.

***Telefilm* was also hit hard by the Budget 2012 cuts, with cuts ramping up to a full 10% in 2014/15. For 2013/14, expenditures are down \$6.1 million (5.7%) from last year's Main Estimates.** The areas hit the hardest are funding for the development and support of the Canadian audiovisual industry (down from \$73.2 million to \$68.5 million) and internal services (from \$12.9 million down to \$12.1 million). As noted last year, **one bright light was the announcement late last summer that Telefilm and the Rogers Group of Funds entered into a partnership with the NFB to restore the Theatrical Documentary Program** (a \$1.5 million budget with equal contributions by the three partners). As to impacts on staff, 16 positions were eliminated last year (11 were already

vacant or filled by temporary employees) and it is anticipated that a total of thirty positions will be eliminated over three years.

Publishing

Book Publishing. The *Canada Book Fund* seeks to ‘ensure access to a diverse range of Canadian-authored books in Canada and abroad’ (Department of Canadian Heritage website). The program consists of two components: Support for Publishers (funding to Canadian owned and controlled publishers to produce and promote Canadian authored books) and Support for Organizations (to support marketing and promotion of Canadian-authored books and to strengthen industry capacity).

Funding to the program held steady in the Main Estimates. In 2012/13, it was transferred an additional \$500,000 from the Canada Council in Supplementary Estimates B for the National Translation Program for Book Publishing. In addition, as noted above, **as part of the government’s recently announced support for Canada’s history, the program will receive up to an additional \$200,000 per year** for the Support for Organizations component ‘to encourage collective projects with a dedicated focus on promoting Canadian history titles’ (Department of Canadian Heritage website). For 2013/14, the total amount available will be \$100,000 but it will ramp up to \$200,000 in subsequent years. Eligible projects include activities like targeted marketing campaigns, promotion based on awards for history books, and online platforms for discovery. Projects can receive up to 75% funding for eligible expenses.

While the Canada Book Fund was not directly affected by the Budget 2012 cuts, it is up for renewal in 2014/15.

Periodical Publishing. The *Canada Periodical Fund* supports ‘Canadian print magazines, non-daily newspapers and digital periodicals to enable them to overcome market disadvantages and continue to provide Canadian readers with the content they choose to read’ (Department of Canadian Heritage website). The Fund includes three components: Aid to Publishers, which supports Canadian print magazines and non-daily newspapers; Business Innovation, which funds small and mid-sized print magazines and digital periodical publishers, and Collective Initiatives, which funds organizations to strengthen industry sustainability. **Total funding to the Canada Periodical Fund held steady in 2013/14 at \$75 million – it was not affected by Budget 2012.**

The fund will also receive up to \$375,000 in additional funding annually as part of the government’s new support for Canada’s history. The new funding is to ‘support and provide access to history periodicals and history-related projects’ via the Business Innovation and Collective Initiatives components of the program.

Sound Recording

The **Canada Music Fund** pursues the three main objectives of the Canadian Sound Recording Policy (building capacity, enhancing access and broadening opportunities). As

noted in last year's analysis, the **Canada Music Fund** sustained a cut following **Budget 2012: the Creators' Assistance Component** of the fund was eliminated (the program supported songwriters, composers and lyricists via funding to non-profit music organizations; it was administered by SOCAN for the English-language component and by the Société professionnelle des auteurs et compositeurs du Québec, SPACQ, for the French-language component). **Since this time, the Department of Canadian Heritage 2013/14 Report on Plans and Priorities** notes that the **Music Entrepreneur Component, which funded music entrepreneurs and National Service Organizations in the industry, was also eliminated.**

The remaining components are the New Musical Works Component (to provide creators and entrepreneurs the chance to produce and promote Canadian recordings and develop their craft), the Collective Initiatives Component (to support development and marketing of Canadian talent), and the Canadian Music Memories Component (to support Library and Archives Canada in the preservation of Canadian sound recordings).

Following these cuts, funding to the program declined from \$25.8 million in 2012/13 to \$22.8 million in 2013/14. The program is scheduled to sunset in 2014/15 if it is not renewed.

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

The **Celebration and Commemoration Program** provides financial assistance to eligible organizations (non-governmental, community, charitable and private organizations, as well as municipal governments, schools and school boards) to organize community events during the 'Celebrate Canada!' period, June 21st to July 1st. This year, funding to the program stands at \$14.5 million, down from a total of \$20.8 million last year. The decline is mainly due to one-time funding provided in the 2012/13 Supplementary Estimates B to support the 100th anniversary of the Grey Cup (\$5 million) and 'to promote public awareness and community participation in National Aboriginal Day activities' (\$300,000).

Sport. Sport funding is up considerably in Budget 2013 owing mainly to the **Toronto 2015 Pan American and Parapan American Games. In addition, there were no cuts to sport funding as a result of Budget 2012.** The **Athlete Assistance Program**, which provides support to athletes to improve their performance at major international events, received the same funding as it did last fiscal year: \$28 million. The total of \$28 million for 2012/13 included \$1 million in additional program funding received in Supplementary Estimates B.

The **Sport Support Program** aims to develop athletes and coaches, increase Canadians' involvement in sport and advance Canadian interests and values. It provides funding to this end to national sport organizations, multisport service organizations and to organizations active in a number of priority areas. Funding to this program declined from a total of \$150 million last year to \$145.8 million this year. The program received an

additional \$3 million in the 2012/13 Supplementary Estimates B for ParticipACTION and Le Grand défi Pierre Lavoie to promote active lifestyles.

The **Hosting Program** supports 'sport organizations to host the Canada Games and international sport events in Canada' (Department of Canadian Heritage website). It received a total of \$36.8 million in funding last year and this year funding is up to \$146.1 million, largely for the Toronto Pan Am games. The program received an additional \$14.4 million in the 2012/13 Supplementary Estimates B for the Toronto games.

Official Languages. Expenditures promoting Canada's official languages and supporting official language minority communities remained largely unchanged from last year. The **Enhancement of Official Languages Program**, which seeks 'to foster among Canadians a greater understanding and appreciation of the benefits of linguistic duality' (Department of Canadian Heritage website), 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 supports official-language communities to 'have a greater access to quality education and different programs and services in their language in their communities' (Department of Canadian Heritage website), received \$221.7 million in this year's Main Estimates, down slightly from \$225.1 last year. The decline owes mainly to the reduction of spending for the Roadmap for Canada's Linguistic Duality 2008-2013. The program received \$5,000 in the 2012/13 Supplementary Estimates A for the 'Gaspesian Memories Collection'.

Aboriginal Programs. The **Aboriginal Peoples' Program** supports the participation and culture of Aboriginal people in Canadian society. Total expenditures on this program in 2012/13 were \$29.1 million. They fell to \$17.5 million in 2013/14 owing to transfers of components of the program to Aboriginal Affairs and Northern Development Canada.

Annex

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 2012/13 (millions of dollars)

Organization ¹	Main Estimates 2012/13	Budget 2012 Cut ²	Supplementary Estimates A 2012/13		Supplementary Estimates B 2012/13		Supplementary Estimates C 2012/13		Total Estimates 2012/13 ³
			Net Transfers	Voted Appropriations	Net Transfers	Voted Appropriations	Net Transfers	Voted Appropriations	
Department of Canadian Heritage	1,280.6	(17.8) (1.4%)	(0.8)	1.3	1.0	7.5	0.9	0.5	1,251.5
Canada Council for the Arts	181.8	-	0.1	-	(0.5)	-	-	-	181.4
Canadian Broadcasting Corporation	1,074.3	(27.8) (2.6%)	-	-	-	32.2	-	-	1,106.5
Library and Archives of Canada	117.7	(3.5) (2.7%)	0.2	-	-	-	0.4	-	118.4
National Arts Centre	35.6	(0.1) (0.3%)	-	-	-	-	0.08	-	35.7
National Gallery of Canada	48.2	-	-	-	-	-	-	-	48.2
Canadian Museum of Civilization	62.5	-	-	-	-	-	-	0.9	63.4
Canadian Museum for Human Rights	10.0	-	-	-	-	46.7	-	-	56.7
Canadian Museum of Immigration at Pier 21	10.0	-	-	-	-	-	-	-	10.0
Canadian Museum of	33.1	-	-	-	-	-	-	-	33.1

Nature									
National Museum of Science and Technology	28.9	-	-	-	0.02	-	-	-	28.9
National Film Board of Canada	66.8	(0.1) (0.1%)	-	-	-	-	-	-	66.8
Telefilm Canada	105.7	(2.7) (2.6%)	-	-	-	-	-	-	105.7
TOTAL	3,055.2	(52.0) (1.7%)	⁻⁴	1.3	⁻⁴	86.4	⁻⁴	1.4	3,106.3

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 those listed in Budget 2013. They may differ from the total of the Main and Supplementary Estimates minus the Budget 2012 Cuts shown in this table due to additional funding received in 'carry-forward' as well as the inclusion of funds received for eligible payroll expenditures and collective agreements. Some Budget 2012 cuts were implemented by reallocating funds within an organization to support new expenditures appearing in the supplementary estimates. Details of the cuts appear in the body of this analysis.

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, *2012-2013 Estimates, Parts I and II: The Government Expenditure Plan and Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2012-2013 for the Fiscal Year ending March 31, 2013*; Government of Canada, *Supplementary Estimates (B) 2012-2013 for the Fiscal Year ending March 31, 2013*; Government of Canada, *Supplementary Estimates (C) 2012-2013 for the Fiscal Year ending March 31, 2013*; Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012* (Budget 2012).

2012-2013 Supplementary Estimates C.