

Budget 2016:

***Culture and Arts:
A New Approach***

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

Prepared for the
[Canadian Conference of the Arts](#)
[Canadian Arts Coalition](#)
[Saskatchewan Arts Alliance](#)

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(Estimates for the Department of Canadian Heritage and Selected Cultural Agencies and Crown Corporations, Total of Main Estimates and Supplementary Estimates for Fiscal Year 2015-16)

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EXECUTIVE SUMMARY

This budget analysis examines federal funding for the arts and culture in the 2016 federal budget. It explores funding to the Department of Canadian Heritage and other federal cultural agencies and crown corporations; organizational and funding trends at the Department of Canadian Heritage; expenditures on key programs across the arts, heritage and cultural industries, and other developments affecting the sector.¹

Five main findings emerge from the analysis.

First, in Budget 2016, *Growing the Middle Class*, the government has signaled a new approach to governance at the federal level, an approach focused on ‘sustained inclusive economic growth that will benefit families.’ This includes extensive consultation with Canadians, a focus on clean energy, Indigenous Peoples, and transparency, and substantial investments in support of the economy, society, innovation, and infrastructure.

As part of the government’s commitment to transparency, **the mandate letters sent to Ministers by the Prime Minister were made public for the first time.** The letter to the Minister of Canadian Heritage identified a range of priorities, including reviewing plans for Canada 150, restoring and increasing funding to the CBC/Radio-Canada, Telefilm Canada and the National Film Board, doubling investment in the Canada Council for the Arts, restoring the PromArt and Trade Routes programs, and making major new investments in cultural infrastructure. **Budget 2016 followed through on many of these objectives.**

Second, for the first time in years, the government’s support for the arts and cultural sector is grounded in both economic and socio-cultural rationales. The government commits to reinvesting in the arts and cultural sector because it ‘helps to create jobs, strengthens the economy and ensures that the unique Canadian perspective is shared with the world.’²

Third, the government places substantial priority on the arts and culture, committing an additional \$1.9 billion in funding to the sector over the next five years. In keeping with the Minister’s mandate letter, this includes doubling the budget of the Canada Council for the Arts, an additional \$675 million for the CBC/Radio-Canada, an additional \$22 million for Telefilm Canada, a further \$13.5 million for the National Film Board, and \$168.2 million over two years for the Canada Cultural Spaces Fund. Budget 2016 also provides an additional \$105.9 million for national museums (notably the Canada Science and Technology Museum), and substantial capital funding for the NAC. It is worth recalling, though, that for a number of these organizations, the new funding is merely bringing funding levels back to what they were prior to cuts in recent years.

¹As many readers will know, the Canadian Conference of the Arts prepared the annual budget analysis up until the suspension of its activities in 2012. Following this, its caretaker board of directors initially passed the 2013 budget analysis baton to the Canadian Arts Coalition. The last two years and this year again, the CCA Board teamed up with the Coalition and the Saskatchewan Arts Alliance to sponsor the 2016 Budget Analysis.

² Budget 2016, *Growing the Middle Class*, p.184.

The government sees the cultural industries as engines of economic growth both at home and abroad, and Budget 2016 provides them with additional funding support. This, presumably, is the beginnings of following through on the commitment to reinstate the PromArt and Trade Routes programs.

Fourth, the government places substantial priority on investing in infrastructure. Budget 2016 announced a plan for \$120 billion worth of infrastructure spending over ten years. The plan includes \$60 billion in new infrastructure spending over and above what the previous government had planned. **\$342 million of this new funding is committed to cultural and recreation infrastructure over two years.**

Fifth, the government is investing substantial resources into celebrations for the 150th Anniversary of Confederation in 2017, but it is not clear the extent to which the arts and culture are central to their plans. A total of \$360 million is allocated to Canada 150 celebrations over three years (June 2015 to December 2018) with a view to ‘sustain Canadians’ sense of pride and belonging, to support Canada’s vibrant communities, and to create economic benefits and lasting legacies.’³ **The arts are not always explicitly mentioned in the government’s plans, so it will be important for the sector to underscore the important contribution that the arts can play in the celebrations.** It will also be important for groups to apply for funding where they’re able to take full advantage of these funds.

All told, the government’s approach to the arts and cultural sector to date is a very positive one, supported with substantial reinvestments and new investments in the sector.

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

³ Horizontal Table – Canada 150 Initiative, Available online at <http://canada.pch.gc.ca/eng/1456259899006>.

THE BIG PICTURE

This section examines the ‘big picture’ for the cultural sector when it comes to funding levels in Budget 2016.

The New Approach, Highlights from Budget 2016 and News on Canada 150

As part of its new approach to governance, the government published the mandate letters that the Prime Minister writes to ministers. The Prime Minister’s letter to the Minister of Canadian Heritage identified the following priorities, reproduced verbatim below:

- Review current plans for Canada 150 and champion government-wide efforts to promote this important celebration.
- Restore and increase funding for CBC/Radio-Canada, following consultation with the broadcaster and the Canadian cultural community.
- Review the process by which members are appointed to the CBC/Radio-Canada Board of Directors, to ensure merit-based and independent appointments.
- Double investment in the Canada Council for the Arts.
- Increase funding for Telefilm Canada and the National Film Board.
- Restore the PromArt and Trade Routes International cultural promotion programs, update their design, and increase related funding.
- Increase funding for the Young Canada Works program to help prepare the next generation of Canadians working in the heritage sector.
- Work with the Minister of Infrastructure and Communities to make significant new investments in cultural infrastructure as part of our investment in social infrastructure.
- Develop a new multi-year Official Languages plan to support English and French linguistic minorities.
- Establish a free, online service for learning and retaining English and French as second languages.
- Work with the President of the Treasury Board to ensure that all federal services are delivered in full compliance with the *Official Languages Act*.
- Work in collaboration with the Minister of Indigenous and Northern Affairs to provide new funding to promote, preserve and enhance Indigenous languages and cultures.
- Work with the Minister of Justice to update and reinstate a Court Challenges Program⁴.

As discussed throughout this analysis, **Budget 2016 follows through on many of these priorities**. It doubles the Canada Council budget, reinvests in the CBC/Radio-Canada, Telefilm and the National Film Board, increases funding for cultural infrastructure and provides funding for Canada’s cultural industries abroad. It must be remembered, though, that with the notable exception of the new Canada Council funding, these new monies are essentially bringing funding levels back to where they were prior to cuts in recent years.

⁴ For the full mandate letter, see <http://pm.gc.ca/eng/minister-canadian-heritage-mandate-letter>.

Budget 2016 also announced that the government will allocate \$35 million over the next two years to ‘showcase Canada’s cultural industries to the world.’ This is the beginnings of following through on the commitment to reinstate the PromArt and Trade Routes programs. Budget 2016 notes that the Minister of Canadian Heritage will be consulting on ‘how best to continue to support Canadian cultural exporters as they contribute to inclusive growth’. In this process, the Minister will work with the Minister of Foreign Affairs, whose mandate letter includes ‘supporting the Minister of Canadian Heritage to restore the PromArt and Trade Routes International cultural program programs, update their design, and increase related funding.’⁵ This priority for the Minister of Foreign Affairs is part of a broader instruction from the Prime Minister to ‘increase Canada’s educational and cultural interaction with the world,’ a welcome move back to cultural diplomacy under the new government.

In addition, **Budget 2016 made substantial infrastructure spending commitments that open up many opportunities for the arts and cultural sector.** The budget announced a plan for \$120 billion worth of infrastructure spending over ten years. The plan includes \$60 billion in new infrastructure spending, \$11.9 billion of which will be committed over the next five years and of this amount, **\$342 million of this new funding is committed to cultural and recreation infrastructure over two years:**

- an additional \$168.2 million in funding to the Canada Cultural Spaces Fund over the next two years (discussed in the last section of this analysis);
- \$150 million over the next two years to regional development agencies for the Canada 150 Community Infrastructure Program (discussed below);
- \$20 million to Parks Canada over the next two years to enhance the National Historic Sites Cost-Sharing Program, including expanding it to include heritage lighthouses and railways, and
- \$4 million over two years for the Enabling Accessibility Fund, which supports capital costs for construction and renovation to improve accessibility and safety for people with disabilities.

In addition, the government has committed \$76.9 million in new spending over two years for cultural and recreational facilities on Indigenous reserves.

This is on top of existing funding opportunities like the \$10 billion New Building Canada Fund, for which culture, recreation and tourism are now eligible to apply (this Fund was put in place by the previous government).

Finally, the government has extensive plans to celebrate the 150th anniversary of Canadian Confederation. The **Department of Canadian Heritage is the lead for the Canada 150 Initiative, which** runs from June 2015 to December 31 2018. **Budget 2016 allocated an additional \$150 million to the initiative, bringing total funding to Canada 150 to \$510 million.** Canada 150 aims ‘to sustain Canadians’ sense of pride and belonging, to support Canada’s vibrant communities, and to create economic benefits and lasting legacies. ... Canada 150 is a unique opportunity to build an inclusive vision of Canadian identity that celebrates

⁵ See <http://pm.gc.ca/eng/minister-foreign-affairs-mandate-letter>.

diversity' (Department of Canadian Heritage website).

Canada 150 includes two main funds: the Canada 150 Fund and the Canada 150 Community Infrastructure Fund. The Canada 150 Fund 'seeks to bring Canadians together through projects in the areas of culture, the arts, sport, heritage and environmental awareness' (Department of Canadian Heritage website). The Canada 150 Community Infrastructure Fund provides funding to communities to modernize 'recreational, cultural and community infrastructure and maintain local jobs' (Department of Canadian Heritage website).

The **Canada 150 Fund** is distributed through the Department of Canadian Heritage's Celebration and Commemoration Program, discussed in the last section of this analysis. Funding to this program stands at \$100 million this year.

The **Canada 150 Community Infrastructure Fund** 'supports communities in modernizing their recreational, cultural and community infrastructure and maintain (*sic*) local jobs'⁶. **The Fund received an additional \$150 million over two years in Budget 2016**, to be administered by the regional development agencies (e.g., the Atlantic Canada Opportunities Agency, the Canadian Northern Economic Development Agency, the Economic Development Agency of Canada for the Region of Quebec, etc.).

* * *

Table 1 shows expenditures for the Department of Canadian Heritage and selected agencies and crown corporations in the Main Estimates documents for the period 2015-16 to 2016-17 (each organization is examined in greater detail further on in the analysis).

As noted above, Budget 2016 provided substantial new resources for the arts and cultural sector: it commits to an additional \$1.9 billion of new funding over the next five years, including doubling the budget of the Canada Council for the Arts⁷ (from \$180 million to \$360 million over five years), an additional \$675 million for the CBC also over five years, an additional \$105.9 million for national museums, \$168.2 million over two years for the Canada Cultural Spaces Fund, and substantial capital funding for the NAC and the Canada Science and Technology Museum.

This is very welcome news, but readers should bear in mind that expenditures for future years may change if the government's priorities or fiscal context change. As such, this analysis only focuses on the expenditures which have been voted on (i.e., confirmed) by Parliament: those for the 2016-2017 fiscal year.

In Table 1, the second column lists cuts from Budget 2012 for information purposes (these

⁶ Horizontal Table – Canada 150 Initiative. Available online at <http://canada.pch.gc.ca/eng/1456259899006>.

⁷ The Liberal Party Platform promised this increase over two years. The reprofiling of the commitment is more realistic given the capacity of the Council to absorb such an increase.

funding declines were fully implemented as of 2014-2015). The third and fourth columns show, respectively, the 2015-16 Main Estimates and Total Expenditures for the 2015-16 year (the latter include expenditures in the Supplementary Estimates). The next column shows expenditures to date for 2016-17 from the Main Estimates, the first set of Supplementary Estimates (Supplementary Estimates A) and Budget 2016 (some expenditure announcements have not been incorporated into the estimates documents yet).

The final two columns show the increase (decrease) in expenditures between 2016-17 to date and (a) the Main Estimates 2015-16 and (b) total expenditures in 2015-16 (Main and Supplementary Estimates). Of these two columns, this analysis focuses on the second last: the difference between expenditures in the Main Estimates year over year. This is the most apples-to-apples comparison to undertake at this time.

Funding Levels On the Rise – And in some cases substantially

As the second last cell in the table's bottom row reveals, **overall, funding levels are up close to fourteen per cent between 2015-16 and 2016-17 (up by \$404.1 million or 13.5%).**

Increases in funding to five organizations account for most of the growth: the Department of Canadian Heritage (\$136.9 million), the Canada Council for the Arts (\$40.2 million), the CBC (\$75 million), the National Arts Centre (\$62.7 million) and the National Museum of Science and Technology (\$75.8 million). **Only one organization experienced a decline in funding:** the Canadian Museum of History (down \$17.2 million or 20.6%), but this was due to higher funding levels in the previous fiscal year for capital expenditures. **All other organizations experienced either modest increases in funding or the same level of funding as last year.**

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

Table 1: Spending Estimates for the Department of Canadian Heritage and Selected Cultural Agencies and Crown Corporations, 2015-16 to 2016-17 (millions of dollars)

Organization ¹	2015-2016 Spending Estimates			2016-2017 Spending Estimates to Date Main Estimates, Supplementary Estimates A and Budget 2016 ³	Increase (decrease) between 2016-2017 Estimates and...	
	Budget 2012 Ongoing Cut as of 2014-2015	Main Estimates	Total Estimates ²		Main Estimates 2015-2016	Total Estimates 2015-2016
Department of Canadian Heritage	(46.2) (3.5%)	1,254.7	1,265.7	1,391.6	136.9 10.9%	125.9 9.9%
Canada Council for the Arts	-	182.1	182.2	222.3	40.2 22.1%	40.1 22.0%
Canadian Broadcasting Corporation	(115.0) (10.7%)	1,038.0	1,038.0	1,113.0	75.0 7.2%	75.0 7.2%
Library and Archives Canada	(9.6) (8.2%)	93.0	100.1	116.9	23.9 25.7%	16.8 16.8%
National Arts Centre	(1.9) (5.3%)	54.7	75.2	117.4	62.7 114.6%	42.2 56.1%
National Gallery of Canada	-	43.8	43.8	44.9	1.1 2.5%	1.1 2.5%
Canadian Museum of History	-	83.4	83.4	66.2	(17.2) 20.6%	(17.2) 20.6%
Canadian Museum for Human Rights	-	21.7	21.7	21.7	0.0 0.0%	0.0 0.0%
Canadian Museum of Immigration at Pier 21	-	7.7	7.7	7.7	0.0 0.0%	0.0 0.0%
Canadian Museum of Nature	-	26.1	26.1	26.1	0.0 0.0%	0.0 0.0%
National Museum of Science and Technology	-	29.8	59.2	105.6	75.8 254.4%	46.4 78.4%
National Film Board of Canada	(6.7) (10.0%)	59.7	59.7	63.4	3.7 6.2%	3.7 6.2%
Telefilm Canada	(10.6) (10.0%)	95.5	95.5	97.5	2.0 2.1%	2.0 2.1%
TOTAL	(191.1) (6.2%)	2,990.2	3,058.3	3,394.3	404.1 13.5%	336.0 11.0%

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

¹These organizations also generate annual revenues.

²Total expenditures in the 2015/16 Main Estimates and in 2015/16 Supplementary Estimates A, B and C. The Appendix breaks down expenditures in the supplementary estimates documents for each organization. Budget 2012 cuts for 2014-2015 are listed for information purposes and are already reflected in the spending figures for each organization.

³Five organizations were affected by 2016/17 Supplementary Estimates A: Canadian Heritage (\$97.1 million in additional funding), \$40 million in new funding for the Canada Council for the Arts, and an additional \$38.0 million, \$1 million and \$45.6 in capital funding, respectively, to the National Arts Centre, the National Gallery of Canada and the National Museum of Science and Technology. Three organizations received additional funding in Budget 2016 but it has not yet been reflected in the Supplementary Estimates: the Canadian Broadcasting Corporation (\$75.0 million), the National Film Board (\$1.5 million) and Telefilm Canada (\$2 million).

Sources: Government of Canada, *2016-2017 Estimates, Parts I and II: The Government Expenditure Plan and Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2016-2017 for the Fiscal Year ending March 31, 2017*; Government of Canada, *2015-2016 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *Supplementary Estimates (B) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *Supplementary Estimates (C) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *Growing the Middle Class* (Budget 2016); Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012* (Budget 2012).

THE DEPARTMENT OF CANADIAN HERITAGE

This section describes the organizational and reporting structure of the Department of Canadian Heritage, along with spending and staff levels in its strategic outcome areas in the 2014-15 to 2018-19 period. Funding changes to key grant and contribution programs at the department are examined in the subsequent section.

The Portfolio of Canadian Heritage

The Ministry of Canadian Heritage is headed by the Minister of Canadian Heritage and Official Languages, the Hon. Mélanie Joly (Ahuntsic-Cartierville, Québec). Under the new government, the portfolio of Canadian Heritage also includes the Minister of Sport and Persons with Disabilities, the Hon. Carla Qualtrough (Delta, British Columbia) and the Minister of Status of Women, the Hon. Patricia Hajdu (Thunder Bay-Superior North, Ontario). The mandate letters for the latter two ministers instruct them to work on priority issues in their ambit, including with the lead minister, Minister of Canadian Heritage Joly. The Minister of Sport and Persons with Disabilities is instructed, for example, to ‘lead preparations for the 2016 Rio Olympics and Paralympics and future international sporting events,’ and to ‘work with the Minister of Canadian Heritage to include sport and recreation in championing government-wide efforts to promote the celebration of Canada 150, with a particular emphasis on celebrating the achievements of athletes and persons with disabilities.’ The Minister of Status of Women, for her part, is instructed to work with relevant organizations across the government on gender parity, workplaces free from harassment and sexual violence, and sensitivity training.

The overall portfolio of Canadian Heritage is very broad in scope, and includes not only the Department of Canadian Heritage, but multiple semi-autonomous organizations like the Canada Council for the Arts, CBC/Radio-Canada, Telefilm, the National Film Board, and the national museums, which report through the Minister of Canadian Heritage to Parliament.

In addition, the Department of Canadian Heritage now has responsibility for multicultural policy again. Multiculturalism had been transferred out of the department to the Department of Citizenship and Immigration under the previous government.

Departmental Priorities

According to the Department's 2016-17 Report on Plans and Priorities, **the Department has five priorities that underscore its commitment to the economic and social contribution of the arts and culture. These priorities, listed below, align with priorities in the Minister's mandate letter:**

- **Canada 150:** the celebrations to mark the 150th anniversary of Confederation are ‘an opportunity to strengthen Canadians’ sense of pride and belonging, invite the world to Canada and showcase Canadian achievements at home and abroad, as well as support exciting and innovative projects that will leave a lasting legacy.’⁸ The government has identified four priority areas: ‘promoting diversity and inclusion, engaging and inspiring youth, promoting national reconciliation with Indigenous Peoples and connecting Canadians with

⁸ Department of Canadian Heritage. *2016-17 Report on Plans and Priorities*, p. 11.

their natural environment.⁹

- **Engage and Innovate: Canada's Creative and Cultural Industries Drive Canada's Economic Growth:** the creative and cultural industries constitute not only an important economic sector, but also 'creation of and access to Canada's diverse stories' and 'opportunities to connect, collaborate and share experiences.'¹⁰ Key activities here include helping the sector adapt to digitization, support for cultural and recreational infrastructure, and international cultural promotion.
- **Diverse and Inclusive: Connecting Canadians through Language and Culture:** key activities here include support for the process of reconciliation with Canada's Indigenous Peoples, support for diversity and inclusion, and support for official languages across Canada and within the federal government. As part of this priority, the government is updating and reinstating the Court Challenges Program, which provides funding for court cases related to language and equality rights under the Canadian Charter of Rights and Freedoms.
- **Active and Engaged: Encouraging Participation and Sustaining Excellence in Sport.** This priority includes support for excellence in sport (notably the 2016 Rio Olympic and Paralympic Games), for Canadians' participation in sport (particularly children and youth) and for safety in sport (concussion prevention and treatment).
- **An Open and Modern Government for all Canadians:** the focus of activities here includes use of technology and communications to better support departmental operations (e.g., online applications, reduced administrative burden, and program improvement through experimentation).

Departmental Reporting Structure and Expenditures Across Strategic Outcomes.

Since 2009-10, the Department has used the same reporting structure for its activities (readers can consult previous years' budget analyses for a full description of the reporting structure). The structure groups arts, cultural industries and heritage under one Strategic Outcome, which, for purposes of this analysis, facilitates tracking year-over-year spending changes. **The government has announced that this reporting structure will be changing as of next year – this will be the last year the department uses this approach to report on its activities.**

Table 2 shows the reporting structure. It breaks the Department's operations into three Strategic Outcomes, seven Program Activities, and a number of Program Sub-Activities. The numerical columns of the table show Actual Spending for 2014-15, and Forecast and Planned Spending for the 2015-16 to 2018-19 period, as presented in the Department's 2016-17 *Report on Plans and Priorities (RPP)*¹¹. For information purposes, the Table also includes new funding announcements to the Department made in Budget 2016.

In addition, the Table shows human resources at the department for the 2016-17 to 2018-19 period. Staff complements are measured in Full Time Equivalents, or FTEs, each of which is essentially the equivalent of a full time position (FTE figures for 2014-15 and 2015-16 are not listed in the RPP). The final row of the table lists the Budget 2012 cuts to the Department for information purposes (spending figures in the table already reflect the cuts).

Readers must remember that the Planned Spending figures for 2017-18 and 2018-19 have

⁹ Ibid.

¹⁰ Ibid.

¹¹ 'Forecast spending' for 2015-16 refers to an estimate of actual expenditures for that fiscal year (it may differ slightly from what was listed in the estimates).

not yet been voted on by Parliament so are subject to change.

With this caveat in hand, **four observations emerge. First, as noted in the previous section of this budget analysis, including Budget 2016 funding announcements, overall funding levels to the department increase between 2015-16 and 2016-17 (by \$131.2 million or 10.4%).**¹²

Second, between 2015-16 and 2016-17, funding levels to Strategic Outcome 1: Arts, Cultural Industries and Heritage, hold steady, while those to Strategic Outcome 2: Canadian Identity, increase substantially (by \$73.7 million or 14.9%) and those to Strategic Outcome 3: Sport decline substantially (by \$37.5 million or 15.4%). Increases for Canadian Identity owe to spending on the Canada 150 celebrations, while decreases to Sport owe to the conclusion of the Toronto 2015 Pan American and Parapan American Games and the scheduled sunset of funding to Special Olympics Canada.

Third, when it comes to medium-term spending projections, planned spending for 2016-17 and 2017-18 holds steady for Strategic Outcomes 1 (arts, heritage, cultural industries) and 3 (sport), and trends downwards for Strategic Outcome 2: Canadian Identity (from \$570 million in each of 2016-17 and 2017-18 down to \$455 in 2018-19). The decline for Outcome 2 owes to the conclusion of the Canada 150 celebrations.

The final observation relates to staffing: the number of Full Time Equivalents for the department is set to remain stable over the next three fiscal years at roughly 1,700. This is welcome news to be sure, **but it must be remembered that the Department suffered significant staffing cutbacks in recent years.** As reported in last year's budget analysis, the department has lost close to 550 FTEs since 2010. This is squeezing the organization's capacity to maintain its service standards. While delegations of decision-making authority down to the staff level have helped tremendously, fewer staff are available to administer departmental programs, placing strain on timely and effective program administration.

¹² The overall expenditure increase in this table differs by \$5 million from that listed in Table 1 in the previous section because the RPP lists an additional \$5 million in Strategic Outcome 2 for the Aboriginal Languages Initiative. Approval for these new funds was obtained after the Main Estimates were tabled, so they appear in the Supplementary Estimates A for 2016-17..

Table 2: Department of Canadian Heritage: Program Activity Architecture and Expenditures, 2014/15-2018/19

Strategic Outcomes	Program Activities	Program Sub-Activities	2014-15 Expenditures	Forecast and Planned Spending \$ millions			Planned Spending \$ millions	
				Forecast Spending 2015-16	Planned Spending 2016-17	Increase/decrease in spending	2017-18	2018/19
Strategic Outcome 1: Canadian artistic expressions and cultural content are created and accessible at home and abroad	Arts	Canada Arts Presentation Fund, Canada Cultural Spaces Fund, Canada Arts Training Fund, Canada Cultural Investment Fund	113.9	117.1	116.7	(0.4) (0.3%)	116.7	117.0
	Cultural Industries	Broadcasting and Digital Communications, Canada Media Fund, Film and Video Policy, Film or Video Production Tax Credits, Canada Music Fund, Canada Book Fund, Canada Periodical Fund, Copyright and International Trade Policy, Cultural Sector Investment Review, TV5	295.7	303.3	302.5	(0.8) (0.3%)	302.5	302.5
	Heritage	Museums Assistance Program, Canada Travelling Exhibitions Indemnification Program, Canadian Heritage Information Network, Canadian Conservation Institute, Movable Cultural Property Program	31.6	30.7	32.5	1.8 5.9%	32.5	32.5
Total Strategic Outcome 1			441.2	451.1	451.6	0.5 0.1%	451.6	452.0
Strategic Outcome 2: Canadians share, express and appreciate their Canadian identity	Attachment to Canada	Celebration and Commemoration Program, Capital Experience, State Ceremonial and Protocol, Canada History Fund, Exchanges Canada Program, Youth Take Charge	86.8	93.9	150.2	56.3 60.0%	150.8	60.6
	Engagement and Community Participation	Human Rights Program, Building Communities through Arts and Heritage, Aboriginal Peoples' Program, Canada 150 Federal Secretariat	42.2	47.7	65.4 ¹	17.7 37.1%	66.3	41.6
	Official Languages	Development of Official-Language Communities Program, Enhancement of Official Languages Program, Official Languages Coordination Program	357.0	354.1	353.7	(0.4) (0.1%)	353.2	353.2
Total Strategic Outcome 2			486.0	495.6	569.3	73.7 14.9%	570.4	455.4
Strategic Outcome 3: Canadians participate and excel in	Sport	Hosting Program, Sport Support Program, Athlete Assistance Program	470.5	243.7	206.2	(37.5) (15.4%)	206.5	203.2

sport								
Total Strategic Outcome 3			470.5	243.7	206.2	(37.5) (15.4%)	206.5	203.2
Internal Services			84.1	75.1	72.2	(2.9) (3.9%)	72.3	72.3
TOTAL SPENDING LISTED IN REPORT ON PLANS AND PRIORITIES			1,481.9	1,265.4	1,299.5	34.1 2.7%	1,300.8	1,182.9
New funding in Budget 2016³			-	-	97.1	-	-	-
TOTAL			1,481.9	1,265.4	1,396.6²	131.2 10.4%	1,300.8	1,182.9
Human Resources (FTEs)			NA	NA	1,708.8	-	1,706.8	1,697.3
CUTS TO THE DEPARTMENT ANNOUNCED IN BUDGET 2012 (CUMULATIVE AND ONGOING AS OF 2014/15)			(46.2)	-	-	-	-	-

Sources: Canadian Heritage, *2016-2017 Report on Plans and Priorities*; Government of Canada, *Growing the Middle Class* (Budget 2016), Government of Canada, *Jobs, Growth and Long-term Prosperity: Economic Action Plan 2012* (Budget 2012).

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

¹This figure is \$5 million higher than the figure in the 2016-17 Main Estimates. It includes an additional \$5 million for Strategic Outcome 2's Engagement and Community Participation Program Activity for additional funding to the Aboriginal Languages Initiative (allocated in the 2016-17 Supplementary Estimates A).

²This figure is \$5 million higher than the figure shown in Table 1. It includes an additional \$5 million for Strategic Outcome 2's Engagement and Community Participation Program Activity listed in the Department's Report on Plans and Priorities. *(As noted above, the additional funding accrues to the Aboriginal Languages Initiative).*

³An additional \$97.1 million in new funding to the Department was announced in Budget 2016.

DEVELOPMENTS ACROSS CULTURAL SUB-SECTORS

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

Table 3 shows funding levels for these programs for 2015-16 and 2016-17. It lists total expenditures for 2015-16 (Main and Supplementary Estimates) and expenditures in the 2016-17 Main Estimates and Supplementary Estimates A.

Overall, funding to arts and culture programs at the Department of Canadian Heritage remained largely unchanged relative to last fiscal year. The notable exception is cultural infrastructure, where a number of programs have received additional funding to support new and renewed infrastructure spending. Funding to Canada 150 celebrations also provides additional opportunities for the arts and cultural sector, and there are substantial increases to the Celebration and Commemoration Program for Canada 150. Where funding has declined, it is due mainly to the decline of spending for other departmental activities, notably sport in the aftermath of the 2015 Pan and Parapan American games.

As always, readers should bear in mind that additional expenditures for 2016-17 could be forthcoming through Supplementary Estimates B and C, which will be tabled later this year.

-----ARTS-----

The ***Building Communities Through Arts and Heritage*** program seeks to 'engage citizens in their communities through performing and visual arts as well as through the expression, celebration and preservation of local historical heritage' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). The fund supports local festivals, community anniversaries and capital projects. **Funding to this program continued at the same level as last year: \$17.7 million.** This fiscal year, one of the program's key initiatives will be supporting projects that commemorate local events pertaining to Canada's participation in World War II. It will also contribute to Canada 150. The program recently underwent an internal evaluation and results will be publicly available early in 2017.

Funding to the *Canada Arts Presentation Fund* held steady at \$32 million. The program 'gives Canadians access to a variety of professional artistic experiences in their communities...[through] financial assistance to Canadian not-for-profit organizations that professionally present arts festivals or performing arts series, as well as their support organizations' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). The program also supports emerging presenters and organizations targeting underserved communities or artistic practices. In Budget 2014, the government committed to providing \$29 million in annual funding to this program on an ongoing basis.

Table 3: Department of Canadian Heritage: Selected Grants and Contributions, 2015/16 to 2016/17
(dollars unless otherwise noted)

Grant/Contribution	2015-16			2016-17	Ongoing Funding Commitment as of 2015-16
	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	31,977,742	-	31,977,742	31,977,742	\$29 M
Canada Arts Training Fund	22,779,440	-	22,779,440	22,779,440	
Canada Cultural Investment Fund	21,972,205	-	21,972,205	21,972,205	\$22 M
Canada Cultural Spaces Fund	25,358,613	-	25,358,613	107,451,748	\$30 M
Heritage					
Museums Assistance Program	15,739,964	-	15,739,964	15,739,964	
Canada History Fund	4,037,390	200,000	4,237,390	4,037,390	
Cultural Industries					
Canada Book Fund	36,666,301	-	36,666,301	36,666,301	\$9 M
Canada Media Fund	134,146,077	-	134,146,077	134,146,077	
Canada Music Fund	24,299,231	-	24,299,231	24,299,231	\$8.8 M
Canada Periodical Fund	74,774,598	-	74,774,598	74,774,598	
Other Grants and Contributions					
Celebration and Commemoration Program	28,494,367	8,310,000	36,804,367	100,223,767	
Multiculturalism Program	-	-	-	5,521,316	
Sport Grants & Contributions					
Athlete Assistance Program	28,000,000	-	28,000,000	28,000,000	
Sport Support Program	143,315,064	-	143,315,064	146,315,064	
Hosting Program	59,625,790	-	59,625,790	19,865,000	
Official Languages					
Enhancement of Official Languages Program	111,523,131	-	111,523,131	111,523,131	
Development of Official-Language Communities Program	225,921,990	-	225,921,990	225,671,990	
Aboriginal Peoples' Program	17,549,757		17,549,757	16,439,206	

¹ Supplementary Estimates A only included additional funding for the Aboriginal Languages Initiative (\$5 million).

Sources: Government of Canada, *2016-2017 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2016-2017 for the Fiscal Year ending March 31, 2017*; Government of Canada, *2015-2016 Estimates, Parts I and II: The Government Expenditure Plan and The Main Estimates*; Government of Canada, *Supplementary Estimates (A) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *Supplementary Estimates (B) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *Supplementary Estimates (C) 2015-2016 for the Fiscal Year ending March 31, 2016*; Government of Canada, *Growing the Middle Class* (Budget 2016); Government of Canada, *The Road to Balance: Creating Jobs and Opportunities* (Budget 2014).

Funding to the *Canada Arts Training Fund* remained unchanged at \$22.8 million. The program ‘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 2016-17 *Report on Plans and Priorities*).

The ***Canada Cultural Investment Fund*** ‘helps arts and heritage organizations build and diversify their revenue streams, improve their business practices, and assists them in being better rooted and recognized in their communities’ (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). **Funding to this program remained at \$22 million.** Budget 2014 committed to making the program part of the Department’s base budget as of 2015-16 at a level of \$27.1 million, and subsequent to the change, \$5.1 million of this total was permanently transferred to the Department’s operating expenditures.

Funding to the *Canada Cultural Spaces Fund* was increased substantially in Budget 2016 as part of the government’s commitment to social infrastructure. The program received an additional \$168.2 million over two years: \$83.8 million in 2016-17 and \$84.4 million in 2017-18. These things bring total funding to the Fund to \$107.5 million in 2016-17. The program aims to ‘improve the physical conditions for the arts and heritage related to creation, presentation, preservation and exhibition’ and to ‘increase and improve access for Canadians to performing arts, visual arts, media arts, and to museum collections and heritage exhibitions’ (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). This is very welcome news for the sector as many of the venues eligible for funding through this program were built as part of the centennial celebration of Confederation.

In addition, feasibility studies, which were removed as eligible expenses in this program a number of years ago, have been reinserted again as eligible expenses. This is also excellent news, as it enables program applicants to access larger sums of money from other funding sources.

***Canada Council for the Arts.* Budget 2016 held some exciting news for the Canada Council for the Arts: the Council’s budget will be doubled over the next five years¹³ from \$180 million to \$360 million.** The sector has been calling for this for over a decade. **For fiscal year 2016-17, the Council received an additional \$40 million, bringing its total funding this year to \$222.3 million** (see Table 1).

The doubling of the Council’s budget is an important recognition on the part of the government of the value of the organization’s work. The new funding comes at an auspicious time for Council, which is transforming its operations with a New Funding Model, first announced in June 2015. The New Funding Model reduces the number of funding programs from 147 discipline-based programs to just six national non-discipline based programs. The new programs are as follows: Explore and Create; Engage and Sustain; Creating, Knowing and Sharing: The Arts and Cultures of First Nations, Inuit and Métis Peoples; Supporting Artistic

¹³ As mentioned before, this reprofiling of the electoral platform commitment is more realistic given the capacity of the Council to absorb the increase.

Practice; Arts Across Canada, and Arts Abroad (see <http://newfundingmodel.canadacouncil.ca/>). Full details of the new structure are still rolling out, but the Council has assured funding recipients that those who were eligible to receive funding in the past will remain eligible to receiving funding under the new model, which will be fully implemented in 2017.

The Council indicates that the transformation is intended ‘to more strategically support the creation and wide dissemination of excellent Canadian artworks, to more directly and efficiently support Canadian artists, and to more flexibly and effectively support the development of a diversity of high performing arts organizations’ (Canada Council website). In addition, it has underscored that it ‘remains committed to core principles of artistic excellence, the distribution of public funds by a process of peer assessment and to upholding and strengthening Official Languages, as well as its support for Aboriginal arts, ethnic and regional diversity and equity groups including Deaf and Disabled artists’ (Canada Council website).

As shown in the Annex to this document, in 2015-16, the Council received a \$127,000 transfer from the Department of Canadian Heritage in Supplementary Estimates C ‘to support multilateral cooperation French-language theatre projects, as well as to ensure Canada’s participation in meetings of the Commission internationale du théâtre francophone.’

Table 1 shows that **funding to the National Arts Centre (NAC) is up substantially in 2016-17**, from a total of \$75.2 million in 2015-16 to \$117.4 million so far this year. **The additional funding is for capital expenditures for the Architectural Rejuvenation Project**, which will provide for ‘improved performance spaces, public areas for education and events, accessibility for people with mobility challenges, and a glass atrium’ (2016-17 Main Estimates). Work is scheduled to be completed in 2017, the year of the 150th anniversary of Confederation, with a ribbon-cutting ceremony scheduled for July 1, 2017.

The **National Gallery received an additional \$9.6 million of capital funding over two years in Budget 2016 to undertake repairs**. The first \$1 million of this money was distributed in Supplementary Estimates A, bringing the Gallery’s funding to \$44.9 million so far this year.

-----HERITAGE-----

Funding to the Museums Assistance Program (MAP) held steady in this year’s Main Estimates at \$15.7 million. The program funds Canadian museums and related organizations ‘for activities that facilitate Canadians’ access to our heritage, foster the preservation of Canada’s cultural heritage, including the preservation of representative collections of Aboriginal cultural heritage, and foster professional knowledge, skills and practices related to key museum functions’ (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*).

It should be noted, though, that only \$6.7 million of the \$15.7 million in funding to this program goes towards grants and contributions to museums. The Department of Canadian Heritage uses this mechanism to deliver other initiatives as well, including the heritage component of Young Canada Works, which provides summer employment and internships for youth. The Liberal Party

committed in its election platform to increase funding to Young Canada Works 'to help the heritage sector prepare the next generation of museum staff.' This was part of the Party's broader commitment to create 40,000 jobs for youth annually. The increase in funding to Young Canada Works is something the sector has been advocating for quite some time, and the broader commitment to youth employment may also benefit others in the arts and culture sector as well.

The Museums Assistance Program will also contribute to Canada's 150 celebrations by 'giving funding priority to exhibitions that touch on the many events and people that have defined our country' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). In 2015-16, an evaluation of the program underscored that it continues to meet important needs of museums and heritage organizations, but in 2016-17, the government notes that MAP will undertake a review 'to ensure the program's priorities are aligned with the most important challenges facing the museum community' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*).

As noted in previous budget analyses, the actual funding for museums and galleries is now less than its funding in 1972. When the program was first created in 1972, its initial funding level was \$6.7 million, the same amount that continues to be provided in grants and contributions to museums. An evaluation prepared by the Canadian Museums Association revealed that taking into account inflation and population growth, the equivalent amount some thirty years later should be \$62 million. And this doesn't factor in growth in the number of museums: there are roughly two times more museums in operation now than there were in the early 1970s. The result has been to force museums to increase admission fees, rely on private donations and charge for a variety of their costs, which can make them inaccessible to many Canadians.

At the same time, the government's support for federal museums has increased dramatically over the past few years (mostly through capital investments), including the Canadian Museum of History, the Canadian Museum of Nature, the National Gallery of Canada, and the Canadian Museum of Science and Technology, as well as their affiliates. In addition, two new federal museums have been established in recent years: the Canadian Museum for Human Rights in Winnipeg and the Canadian Museum of Immigration at Pier 21 in Halifax.

Nevertheless, most Canadian museums and galleries participate in programs such as the *Cultural Access Pass*, which provides free admission to the families of new Canadian citizens. This program was initiated by CMA but is now administered by the Institute of Canadian Citizenship (ICC). In addition, the government has committed to waive entry fees to National Parks in 2017 to celebrate Canada 150.

Funding to the *Canada History Fund* decreased slightly from \$4.2 million in 2015-16 to \$4.0 million this year. The Fund 'encourages Canadians to learn about Canada's history, civic life, and public policy' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*) by supporting the development of learning materials, learning experiences and networks. Key initiatives in 2016-17 include supporting two new Heritage Minutes, and continuing to build the Canada History Awards and Canada History Week. The program will contribute to Canada 150 by 'supporting activities that allow Canadians to learn about key events and people that have shaped the nation' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). The program was evaluated in 2015 and key findings included the following: the program remains relevant and necessary; it is administered efficiently and economically, but it is challenging to

measure impact given the diversity of projects supported and the nature of program objectives (the Department will be working to address this).

Funding to ***Library and Archives Canada*** is up substantially this year, from **\$100.1 million in 2015-16 to \$116.9 million in 2016-17 (see Table 1)**. The increase is for capital funding ‘for the transfer and consolidation of special purpose storage facilities and to build a new special purpose facility in Gatineau, Quebec’ (2016-17 Main Estimates).

As noted in the annex to this document, Library and Archives received an additional \$7.1 million last fiscal year in Supplementary Estimates C. The funding included \$6.7 million of capital funding for storage facilities and a \$360,000 transfer from the Department of Canadian Heritage for the Canadian Music Memories component of the Canada Music Fund (2015-16 Supplementary Estimates C).

As shown in Table 1, **funding to the *Canadian Museum of History* is down substantially in the Main Estimates**, from \$83.4 million in 2015-16 to \$66.2 million in 2016-17. **The decline owes to completion of the new Canada History Hall**, which will ‘tell the story of Canada and its people from the dawn of human habitation to the present day’. The new Hall is slated to open on July 1st 2017.

As shown in Table 1, **funding to the *Canadian Museum for Human Rights*, the *Canadian Museum of Immigration at Pier 21* and the *Canadian Museum of Nature* was unchanged at, respectively, \$21.7 million, \$7.7 million and \$26.1 million**. The Museum for Human Rights has five core goals related to visitor experience, infrastructure, stakeholder relations, financial sustainability and staff (2016-17 Main Estimates). The Museum of Immigration at Pier 21 recently undertook its first travelling exhibit, and the Museum of Nature is in year three of a strategic plan to maximize earned revenue for the organization. Revenue initiatives include creation of the Centre for Arctic Knowledge and Exploration, the Centre for Species Discovery and Change, and the Centre for Nature Inspiration and Engagement.

In Budget 2016, the government committed to providing an additional \$156.4 million to the *National Museum of Science and Technology* ‘to support the construction of a new collection and conservation centre’ (Budget 2016). The new funding will be distributed over three years: \$45.6 million in 2016-17, \$87.9 million in 2017-18 and \$22.9 million in 2018-19. This brings funding to the museum to \$105.6 million this year, up from \$59.2 million last fiscal year (see Table 1). The increase expands the former government’s commitment of \$80.5 million of new funding for ‘mold remediation, building retrofit, new exterior façade and renewal of the exhibition space at the Canada Science and Technology Museum’ (2016-17 Main Estimates). The building is currently closed to the public but set to reopen in 2017. In the meantime, visitors can still visit the Canada Aviation and Space Museum and the Canada Agriculture and Food Museum, the other two museums that make up the National Museum of Science and Technology.

Key priorities for 2016-17 include creating exhibitions and programming in the lead-up to Confederation’s 150th anniversary in 2017 ‘to commemorate the contribution of science,

technology and innovation to the transformation of our country' and stimulating debate, learning and behavior change about energy amongst Canadians 2016-17 Main Estimates).

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

The government has launched a consultation on 'Canadian Content in a Digital World,' with a view to revising its policies in the cultural and creative industries sector. Three questions animate the consultation (reproduced verbatim below):

- (1) What does a cultural system that supports creators and respects citizen voice look like to you?
- (2) How can we meet the challenge of promoting Canada's creativity in the digital world, and how can we use content to promote a strong democracy?
- (3) How do we support Canada's artists, content creators and cultural entrepreneurs in order to create a cultural ecosystem in which they thrive and that will benefit the growth of our middle class at home, and help them reach beyond our borders?

Further details can be found on the consultation website at:

<http://www.canadiancontentconsultations.ca/home>

Broadcasting, Audiovisual Production and New Media

Budget 2016 committed to reinvesting in the audiovisual sector via substantial new funding over five years for CBC/Radio-Canada (\$675 million), Telefilm Canada (\$22.0 million) and the National Film Board (\$13.5 million).

Canadian Broadcasting Corporation/Radio-Canada. CBC/Radio-Canada received an additional \$75 million this fiscal year in Budget 2016, and the government committed an additional \$150 million per year to the organization for the next four years. Budget 2016 notes that the 'Minister of Canadian Heritage will work with the Canadian Broadcasting Corporation/Radio-Canada to develop a five-year accountability plan' (Budget 2016).

While this is welcome news and follows through on the Minister's mandate letter, readers should recall that this new funding follows a total cut to the CBC/Radio-Canada of \$115.0 million in Budget 2012. This cut was on top of financial pressures the organization was already facing, which led to the elimination of more than 1,000 positions and scaled back programming. It is also well worth noting that the organization's funding levels have scarcely increased since the early 1990s, when its annual funding reached \$1 billion for the first time. Taking into account inflation, the comparable amount in 2016 should be \$1.64 billion (calculated using the Bank of Canada's inflation calculator).

As Table 1 shows, **new funding for this fiscal year to the National Film Board and Telefilm Canada increased the budgets of both organizations:** from \$59.7 million to \$63.4 million for the NFB and from \$95.5 million to \$97.5 million for Telefilm. **The additional funding for the NFB is to support 'social-issue documentaries, animation, and digital content,' while that for Telefilm is to 'provide funding and promotion programs dedicated to the cultural, commercial and industrial success of Canada's audiovisual industry' (Budget 2016).** The remaining new investments will be phased in over the coming four fiscal years.

This is very welcome news, but readers will recall that both organizations sustained 10% cuts in Budget 2012 and the impacts on their programming were significant (see the 2013 Federal Budget Analysis for details:

<http://www.canadianartscoalition.com/analysis-budget-2013/>).

Canada Media Fund. The Canada Media Fund is a public-private partnership that ‘focuses investments on the creation of content Canadians want, and harnesses the opportunities provided by new technologies to deliver content to Canadians where and when they want it’ (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). **Funding from the Department of Canadian Heritage to the Canada Media Fund held steady at \$134.1 million.** Combined with contributions from cable and satellite distributors and Internet Protocol Television (IPTV) mandated by the CRTC, the combined total of funded projects was \$371.7 million in 2015-16 (Canada Media Fund 2015-16 Annual Report).

As noted in previous years’ analysis, apart from the addition of \$34.1 million in 2009 to this program as a result of merging the Canadian Television Fund (\$100 million) and the Canada New Media Fund (\$34.1 million) to create the Canada Media Fund, the federal government’s annual contribution to the television component of the fund has remained frozen at \$100M since 1996. To keep pace with inflation, the contribution in 2016 should be \$145 million (calculated with the Bank of Canada’s inflation calculator).

At the same time, figures from the most recent CRTC Communication Monitoring Report (2016) reveal that private sector contributions have hit a plateau. Contributions from broadcasting distribution undertakings (BDUs) to Canadian programming in 2015 totaled \$436.9 million, down from \$474.9 million in 2014 and \$493.6 million the previous year. The decrease is mainly the result of the discontinuation of Local Programming Improvement Fund; contributions to the CMF have held steady at \$219.6 million, compared to \$219.3 in 2014 and 2013. The sector expects these contributions to eventually start decreasing as Canadians shift from cable and satellite to Internet to access audiovisual content and OTT services like Netflix, the latter not being regulated and not called upon to make a financial contribution to the production of Canadian content. The net result of this is that the sector forecasts a real decrease of funding available to producers.

Publishing

Book Publishing. The **Canada Book Fund** ‘supports the activities of Canadian book publishers and other sectors of the book industry to ensure access to a broad range of Canadian-authored books’ (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). **Funding to the program held steady in the Main Estimates at \$36.7 million.** Budget 2014 announced that the program would see the renewal of \$9 million a year to be part of base funding as of 2015-16, a measure which reduces uncertainty but does not constitute new money for the Fund.

Periodical Publishing. The **Canada Periodical Fund** ‘supports the activities of Canadian magazine and non-daily newspaper publishers and organizations to ensure that Canadians have access to diverse Canadian magazines and non-daily newspapers’ (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). **Total funding to the Canada Periodical Fund held steady at \$74.8 million.** The Fund was evaluated positively in a 2015 program evaluation. It was found to be relevant and needed, aligned with broader government priorities,

and efficiently delivered. Recommendations emerging from the evaluation included the need to revisit the funding formula in light of transformations in the sector.

Sound Recording

The **Canada Music Fund** 'supports the activities of Canadian music creators, artists and entrepreneurs aimed at increasing the creation of, and access to, a diversity of Canadian music for audiences everywhere' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). **Funding to the program held steady at \$24.3 million.** Budget 2014 committed to move \$8.8 million of the program's total funding to base funding as of 2015-16. While this provided more certainty and predictability to funding, it does not constitute an increase.

As may be the case for the Canada Media Fund in the near future, it is worth pointing out here that the contribution of private broadcasters to the Canada Music Fund has already started to decline, a fact that was brought to the attention of the House of Commons Heritage Committee when it studied the Canadian music industry in 2014. In the 2014-2015 broadcast year, commercial radio operators contributed just over \$48 million to the development of Canadian content, a decrease of 28% from the previous year.¹⁴

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

The ***Celebration and Commemoration Program*** provides financial assistance to eligible organizations (non-governmental and community organizations) to organize community events during the 'Celebrate Canada!' period, June 21st to July 1st. The period includes National Aboriginal Day, Saint-Jean-Baptiste Day, Canadian Multiculturalism Day and Canada Day. Funding can also be directed to 'commemorations with a national scope that commemorate and celebrate nationally significant historical figures, places, symbols, events, and accomplishments' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*).

This year, funding to the program stands at \$100.2 million, up almost \$65 million from last fiscal year. **Funding to this program has been on the rise year over year:** it received \$14.8 million in 2013-14, \$24.8 million in 2014-15, \$36.8 million in 2015-16 and is now at \$100 million. **The government notes that the program will fund community, regional and national initiatives in support of Canada 150, will mark World War anniversaries from 2014 to 2020 and will fund celebrations of the centennial of women's suffrage and the 175th anniversary of Sir Wilfrid Laurier's birth.**

Sport. Sport funding holds steady for two of the government's three main sport programs, and is down considerably for the third program because the Toronto 2015 Pan and Parapan American Games concluded.

¹⁴ This sharp decrease is the consequence of an unusual 14% increase in 2013-14 (to \$59.6 M), coming primarily from tangible benefits (one-time payments made as a result of change in ownership of radio stations). 2014-2015 is however the lowest in five years, confirming a downward trend in contributions by radio station licensees.

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

The ***Sport Support Program*** works to develop athletes and coaches, provide programming for all athletes, increase Canadians' involvement in sport and advance Canadian interests and values. Funding to this program held steady at \$146 million. Key priorities in 2016-17 include supporting athletes participating at the 2016 Rio de Janeiro Olympic and Paralympic games and funding initiatives that help introduce Syrian refugees to Canadian culture through participation in sport.

The ***Hosting Program*** provides 'assistance for the hosting of the Canada Games and international sport events in Canada' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). Given the conclusion of the Pan and Parapan American games in 2015, funding to the program is down from its high of \$278.5 million in 2014-15 to \$19.9 million this fiscal year.

Official Languages. Expenditures promoting Canada's official languages and supporting official language minority communities held steady year-over-year. The ***Enhancement of Official Languages Program***, which 'helps Canadians gain a better understanding and appreciation of the benefits of linguistic duality, as well as awareness of the constitutionally guaranteed language rights' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*), received \$111.5 million in the Main Estimates, the same level of funding as last year.

Funding to the ***Development of Official-Language Communities Program***, which 'fosters the vitality of Canada's English-and French-speaking minority communities and enables them to participate fully in all aspects of Canadian life' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*), received \$226 million in this year's Main Estimates, the same level as last year.

The ***Aboriginal Peoples' Program*** centres on 'strengthening cultural identity, encouraging the full participation of Aboriginal peoples in Canadian life, and supporting the continuation of Aboriginal cultures and languages as living elements of Canadian society' (Department of Canadian Heritage 2016-17 *Report on Plans and Priorities*). Funding to this program held steady at just over \$16 million this fiscal year. The program received an additional \$5 million in 2016-17 Supplementary Estimates A for the Aboriginal Languages Initiative.

Appendix

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

Organization ¹	Main Estimates 2015-16	Budget 2012 Ongoing Cut as of 2014-15 ²	Supplementary Estimates A 2015-16		Supplementary Estimates B 2015-16		Supplementary Estimates C 2015-16		Total Estimates 2015-16 ³
			Net Transfers	New Appropriations	Net Transfers	New Appropriations	Net Transfers	New Appropriations	
Department of Canadian Heritage	1,254.7	(46.2) (3.5%)	1.3	-	-	-	(0.9)	10.6	1,265.7
Canada Council for the Arts	182.1	-	-	-	-	-	0.1	-	182.2
Canadian Broadcasting Corporation	1,038.0	(115.0) (10.7%)	-	-	-	-	-	-	1,038.0
Library and Archives of Canada	93.0	(9.6) (8.2%)	-	-	-	-	-	7.1	100.1
National Arts Centre	54.7	(1.9) (5.3%)	-	20.5	-	-	-	-	75.2
National Gallery of Canada	43.8	-	-	-	-	-	-	-	43.8
Canadian Museum of History	83.4	-	-	-	-	-	-	-	83.4
Canadian Museum for Human Rights	21.7	-	-	-	-	-	-	-	21.7
Canadian Museum of Immigration at Pier 21	7.7	-	-	-	-	-	-	-	7.7
Canadian Museum of Nature	26.1	-	-	-	-	-	-	-	26.1
National Museum of Science and Technology	29.8	-	-	29.4	-	-	-	-	59.2
National Film Board of Canada	59.7	(6.7) (10.0%)	-	-	-	-	-	-	59.7
Telefilm Canada	95.5	(10.6) (10.0%)	-	-	-	-	-	-	95.5
TOTAL	2,990.2	(191.1) (6.2%)	-⁴	49.9	-⁴	-	-⁴	17.7	3,058.3

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. They are shown here for information purposes only (i.e., the cuts are already reflected in the figures elsewhere in the table).

³Total estimates figures here are the sum of expenditures in the 2015-2016 Main and Supplementary Estimates and may not add due to rounding. Note that they may not reflect the Total Authorities listed in the 2015-2016 Supplementary Estimates C, which also include additional funding in 'carry-forward,' eligible payroll expenditures and collective agreements.

⁴Totals for transfers not provided as some of these expenditures are transfers from one agency to another within the Ministry or are transfers in or out of the Department of Canadian Heritage for programming in areas other than those treated in this Budget Analysis (see discussion in Section II for details of the transfers).

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