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Chair

Ms. Marlene Catterall

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• (0925)

[English]

The Chair (Ms. Marlene Catterall (Ottawa West—Nepean, Lib.)): I'll convene the meeting now. We're meeting witnesses to discuss a substantial few billion dollars of spending.

Welcome, witnesses, from the department.

I think this may be a somewhat unusual procedure. Committees normally would call the minister in front of them first. We have decided we would like an overview from those responsible, if not accountable. You're free to take as long as you wish to give us a presentation on the estimates, on some of the challenges facing the department, and on how your plans and priorities are reflected in the estimates.

Ms. Judith LaRocque (Deputy Minister, Department of Canadian Heritage): Thank you very much, Madam Chairman and members of the committee.

I'm here today with Bruce Manion, who's our chief financial officer, and Susan Peterson, who's the associate deputy. I'm Judith LaRocque, the deputy of the department. We have with us representatives of most of our sectors and directors general, in case you have questions in this regard. We're only missing one ADM, who is appearing with the minister before the official languages committee this morning, but we will try to answer your questions in that area as well.

The presentation today on the 2005-06 estimates is in two parts. I'll be presenting an overview of part III of our estimates and the report on plans and priorities, hopefully giving members a sense of the major thrusts that will be guiding the department's activities over the next three years.

Following my presentation, our senior financial officer, Bruce Manion, will go into more depth on the main estimates. Bruce will be going over how we arrived at our estimates and will discuss changes to how the estimates are laid out this year. This is a new year, with the program architecture and that kind of thing, so we feel it's important we get those basics on the table.

The activities and responsibilities of the Department of Canadian Heritage contribute to two strategic objectives: Canadians expressing and sharing their diverse cultural experiences with each other and the world, and Canadians living in an inclusive society built on intercultural understanding and citizen participation.

These two outcomes are mutually reinforcing. A society that fosters creative expression across the diversity of its peoples also

gives rise to dialogue, intercultural understanding, and ultimately a more inclusive society. Similarly, a society founded on values of inclusion and openness to diversity is better able to generate new ideas from a broader spectrum of experiences and views.

These outcomes are part of a relatively new reporting tool called the "program activity architecture". The Treasury Board Secretariat now requires the supporting structure of all federal departments and agencies. This tool provides criteria against which we will measure our performance in specific program areas, such as the number and diversity of new musical publications for the Canada Music Fund, or the number and types of new digital information made available through the Virtual Museum of Canada, to give you two brief examples. Bruce Manion will address some of the specifics of this structure and how the department is already doing its planning based on these strategic outcomes.

• (0930)

[Translation]

The department has established 11 main priorities for the next three years. They are shown on slide 3. I will speak briefly about each of them in a moment.

[English]

The first priority is the future of broadcasting. Recent initiatives and studies, including your own major report, have recommended significant changes to broadcasting sector policies, programs, and institutions in the current environment of rapid technological change, globalization, convergence, and increasing social diversity. The government's response to these reports, which was tabled on April 4, addresses these recommendations by setting out three pillars of activities on a diverse range of issues.

The first pillar is focusing on the excellence, high impact, and diversity of Canadian content by providing top-up funding for the CBC, which was confirmed in the recent budget, creating a separate envelope for the public broadcaster within the CTF, and asking the CBC-SRC board of directors to deliver a strategic plan by September 2005.

The second pillar is addressing issues of governance and accountability by requesting that the CRTC prepare annual reports concerning the steps it has taken to streamline its rules, regulations, and decision-making processes, and by working with stakeholders to make further improvements to the administration of the Canadian Television Fund and Telefilm.

The third pillar is looking towards the future by requesting a fully costed digital transition plan from the CBC and making strategic investments in the digitization and online presentation of Canada's cultural resources.

[Translation]

The second priority has to do with a subject with which the committee is very familiar because of its study on feature films: namely, the approach to audiovisual policy for the 21st century. The Canadian film industry, particularly videos, is facing significant challenges that our video policy must meet. They are: to reach a wider audience for English-Canadian feature films; the negative impact of a strong Canadian dollar on our ability to export and on shooting Canadian films in Canada; the availability of digital cinema and the distribution of films by satellite in movie houses. In order to better reflect Canadian identity and diversity, we are currently studying the essential components of the audiovisual system such as the Canadian feature film policy, our co-production policy and the Canadian film or video production tax credit program.

[English]

The third priority is facilitating the transition to the digital economy. Rapid changes in technology mean that support mechanisms such as the copyright regime must remain relevant. As your own interim report makes clear, ongoing copyright reform is necessary to address a number of challenges be they technological, marketplace, or legal.

The government will be tabling amendments to the Copyright Act to address an initial set of issues, including implementation of the WIPO treaties, clarifying the liability and role of Internet service providers and facilitating the use of Internet resources by educational institutions and libraries. At the same time, we will continue to work with stakeholders, industry, and users on longer-term copyright issues. The presence of strong Canadian voices on the Internet remains important given the continual increase in Internet use among Canadians and around the world. This makes digitization initiatives such as those contained in the government's response to your committee's broadcasting report all the more important. The government's response also makes an important commitment to work with the CRTC and the industry to remove any impediments to progress on digital broadcasting issues, notably the production of Canadian high-definition television content and securing orbital slots for such content.

[Translation]

Our fourth priority is support for the arts and culture generally. The program Tomorrow Starts Today, which was first announced in 2001, is continuing. This series of program on arts and culture was the beginning of an investment of over \$500 million over three years. This investment was extended in 2004-2005, and in its 2005 budget, the government confirmed funding for a number of arts and culture programs totalling \$860 million over five years, from 2005-

2006 to 2009-2010. These arts and culture programs include both new programs and improved programs in support of the arts and culture in Canada. One of the key objectives is to strengthen the industry and to improve access to the arts and culture for all Canadians. The purpose of these investments is to provide strategic assistance to the arts, publishing, sound recording, the export of cultural products and strengthening Canada's cultural presence on the Internet.

● (0935)

[English]

Strategic priority five is revitalizing Canada's heritage. A strategic approach to heritage is being developed to ensure the preservation and revitalization of Canada's cultural heritage with a particular focus on the role of museums as interpreters of the ingenuity, creativity, and diversity that characterize this country's past and present. The department will play a leadership role in addressing issues raised in the 2003 Auditor General's report concerning the protection of federal heritage assets by working in close collaboration with Library and Archives Canada and other government organizations.

Key issues identified by Canada's museum community itself include the protection of collections at risk, the need to rebuild audiences and reach out to more diverse ones, and reinforcing the volunteer effort on which they depend. During the 2005-06 fiscal year, further consultations will be held with the museum community to develop policy options for addressing these issues.

[Translation]

The sixth priority is the enhancement of Canada's linguistic duality. Following consultations with the minority official languages communities in 2004-2005—in the context of the 2003 Action Plan for Official Languages—the Department of Canadian Heritage seeks to enhance Canada's linguistic duality. The department will update the way it works with its community partners and will also renew its agreements on federal-provincial and territorial cooperation in the area of services in the minority language. In addition, the department will establish its own action plan to develop and enhance the official language minority communities and to promote the two official languages of Canada, as provided for in section 41 of the Official Languages Act. It will provide direction to the other departments and agencies in question to help them establish their action plans in order to broaden and consolidate the participation of various federal entities in the development of the official language minority communities.

[English]

The next priority is the UNESCO convention on cultural diversity. Since 1999 Canada has been actively involved in the creation of an international convention on cultural diversity that would set out clear ground rules enabling countries to maintain policies that promote their culture while at the same time respecting the rules of the international trading system and ensuring markets for cultural exports.

Canadian Heritage continues to collaborate with Foreign Affairs Canada and International Trade Canada in playing a leading role in building support for a UNESCO convention for the protection of the diversity of cultural contents and artistic expressions. In autumn 2004, this department, in cooperation with various partners, developed Canada's comments on UNESCO's preliminary draft convention. These comments served as the basis for Canada's position going into negotiations in early 2005. I think it will be in September 2005.

The preliminary draft convention is to be considered—I'm sorry—at the UNESCO convention in October 2005. The challenge for Canada will be to convince a large number of UNESCO member states by the fall of the importance of a convention that meets Canadian objectives.

[Translation]

The next part is of particular interest to Mr. Lemay. Sport development is another of our priorities. We want to support the following pillars of Canada's policy on sport: increase capacity and excellence, as well as achieving the objectives set out in the Physical Activity and Sport Act and the Department of Canadian Heritage Act.

The department will develop certain initiatives, to strengthen sport leadership; to enhance training for coaches; improve working conditions for paid coaches and provide support for volunteers; provide strategic support for high level sports, that is, implement a strategy of sport excellence; ask a committee of experts to make recommendations to the department and to other Canadian funding partners so that the money is targeted to those sports where we are most likely to achieve international success at the upcoming Olympic and Paralympic Games.

The development and implementation of long-term development models for athletes based on specific sports will require the participation and commitment of the various levels of government and sport organizations at the local, provincial, territorial and national levels.

One of our objectives is also to harmonize the Canadian sport system. This is a complex task involving a number of challenges. Governments will have to make significant efforts to develop a framework that is detailed enough to be useful and to get the various levels of government to develop sport in a concerted way.

We now come to the ninth priority. There are only two more after this one.

• (0940)

[English]

The ninth priority is preparing for the 2010 games and the Canadian Olympiad. Federal investments already committed for the 2010 Winter Olympic and Paralympic Games total \$497 million. These investments come from a variety of sources and so are not reflected in the main estimates of Canadian Heritage. They include \$255 million for capital investments to the Vancouver Organizing Committee, \$55 million towards a legacy component for the games, which is managed by the 2010 games operating trust, \$20 million to offset Paralympic operating costs, and \$130 million for essential services provided by the Government of Canada. The remaining \$37

million funds the horizontal management of government activities by the 2010 games federal secretariat, which is housed at the Department of Canadian Heritage. Of this, \$4.4 million will go to operations in 2005-06.

The department leads the federal planning and coordination of the games, with a secretariat assuming responsibility for a well-managed, government-wide approach. The department is also engaged in planning for the cultural Olympiad. The 2010 games will be the first winter games to include a four-year cultural Olympiad, beginning in 2006. The Olympiad will be led by the Vancouver Organizing Committee, but will entail important roles for all partners working with VANOC and others.

[Translation]

Our tenth priority has to do with supporting aboriginal languages and culture. Language is the cornerstone of cultural identity and survival, particularly for aboriginal Canadians. Research has shown that there is a strong correlation between the revitalization of a language and various factors that impact on the quality of life, such as one's economic situation, education and health. Since the erosion of aboriginal languages underlies many of the problems they face, the aboriginal peoples' programs implemented at Heritage Canada are essential to renewing the government's relationship with the aboriginal peoples.

In 2002, the government announced that it would pay \$160 million over ten years to support the creation and operation of a new aboriginal languages and cultures centre, in order to set up some new programs targeting community cultural and linguistic initiatives, carry out research and development work, and establish mechanisms for sharing knowledge and strengthening capacities. A task force is in the process of defining the objectives, activities and operational structure of this centre, and we expect to receive its recommendations in late spring.

I come now to the eleventh and final priority.

[English]

is the implementation of Canada's action plan against racism.

Over the past decade, diversity in Canada has increased markedly. Today more than 200 different ethnic groups and over 60 religious affiliations are represented in Canadian society. According to the 2001 census, 18.4% of the population was born outside of Canada, the highest proportion in 70 years. And as we recently learned from Statistics Canada, the visible minority populations of Toronto and Vancouver will be visible majorities in those cities by 2017. Canada's approach to multiculturalism is becoming increasingly important in public policy terms and is increasingly regarded by other countries as a model.

Although Canada has made tremendous strides, initial findings from the ethnic diversity survey document the existence of racism and racial discrimination in Canada. To address this situation, the multiculturalism program produces and disseminates educational materials and supports, as well as organizes, events and activities geared towards combating racism and strengthening cross-cultural understanding, in collaboration with private and public partners in the educational sector as well as community groups.

"A Canada For All: Canada's Action Plan Against Racism", aims to create a more inclusive and equitable society through coherent, consistent, and proactive action against all forms of racism. The plan is a major step forward in bringing together the activities of a number of federal departments. To implement this action plan, budget 2005 provided \$56 million over the next 5 years, which will be allocated to several departments, including Canadian Heritage and the Departments of Justice, Labour, and Citizenship and Immigration.

Madam Chairman and members, I'm sorry if I took a long time; it was really to summarize this for you in as succinct a way as possible. If you permit, Madam Chair, I would just ask Bruce to fill in some of those blanks.

● (0945)

[Translation]

Mr. Bruce Manion (Assistant Deputy Minister, Planning and Corporate Affairs, Department of Canadian Heritage): Good morning. I have three objectives this morning: first, to describe the new structure now in place at Canadian Heritage, following the announcement of a new process by the Treasury Board Secretariat of Canada; I will also outline quickly the main differences in the format of the document, that is Part III for the department; and I will try to summarize the main changes in the resources for the department and its ministry for 2005-2006.

[English]

We have radically changed the reporting structure in this RPP. As we had indicated at our appearance before Christmas for the supplementary estimates (A), the new structure is kicking in through 2004, 2005 and 2006, with a full reporting cycle to be completed with the departmental performance reports. Reports for 2004, 2005 and 2006 would be tabled in the fall of 2006, so you will have a complete set of plans and then performance results, based on this new structure, for the 2005-06 fiscal year.

As the deputy indicated, it is a fairly radical departure from what we had done in the past. The previous structure was one we had not really looked at in several years. This is a radical rethink and restatement of how we see our basic activities lining up to achieve the mandate and strategic objectives of the department. This is fully consistent with the new approach prescribed by Treasury Board Secretariat. In fact, the department has worked quite closely with the secretariat at developing this new structure and is seen to be one of the leaders in this.

A point to be made, though, is that this structure is still evolving. The secretariat is looking at a three-year window to get this right, so while we have the new structure framed for this discussion with you, it will be revisited over the coming years, with particular attention to the performance aspects and the measures. That is the second stage of the implementation of the new program activity architecture.

I won't spend much time on the old way of presenting the structure by business lines. They were primarily organizationally focused. The new activity structure is results-focused and outcome-focused. By defining for the department the two macrostrategic objectives to which the deputy spoke earlier, and then providing a structure more aligned with the types of things we do to achieve those results and the basic outcomes we're trying to drive, we will have a better way of

discussing our resources, as well as our results, with you and with Canadians. The overall goal is to ensure that we have greater transparency, and that our overall planning is driven by results, rather than inputs or outputs.

I'm skipping through fairly quickly, mindful of the time. I would draw your attention to slide 7. I'll walk through the basic logic of the model. Two broad strategic outcomes have been defined for the department. The first one is for Canadians to express and share their diverse cultural experience with each other and the world; the second is for Canadians to live in an inclusive society build on intercultural understanding and citizenship participation, or active citizenship.

As the deputy indicated, these are mutually reinforcing outcomes. It is difficult to draw a nice neat line between the two, so there are some elements of overlap we are still looking at, as far as how the programming drives to those two objectives. As a result, you will see that some of our structures below these strategic outcomes have a one-to-many relationship. We are still getting that right, as we go forward with performance indicators and actually look at how we allocate the resources.

Below the two strategic outcomes, we have identified two sets of program activities. The ones on the left, which primarily drive towards the first strategic objective, focus on the creation of Canadian content and performance excellence; sustainability of our cultural expression and participation, including our cultural industries; preservation of Canada's heritage; and access to and participation in Canada's cultural life. On the other side, supporting the second strategic outcome, are three program activities that seek to promote intercultural understanding, to look at community development and capacity-building, and to enhance participation in community and civic life. Those are the underpinnings of the structure.

If you go to the next page, you will start to see how we've broken this down into a grouping of logical program families, primarily organizationally based to match to our accountability structure. To the far left is a series of 49 sub-subactivities, which closely match to our existing programming array. If you're looking for this in your documents, the same table with a bit more detail can be found in the main estimates, English version, pages 8 to 10, and in the French version on pages 10 to 12. It is the complete map of our programming under the new architecture.

● (0950)

What we're trying to achieve with the architecture, as I indicated, is a closer fit with the outcomes we're trying to achieve at the basic program level, rolled up to groupings of programs that achieve either the same or related outcomes, or focus on the same recipients. For instance, if we're trying to look at community participation, there are programming elements in sport, there are programming elements in multiculturalism, there are programming elements in several other areas that contribute to that outcome, so we will regroup them in that way and then put them under a related program activity.

[Translation]

The idea is to develop a better management tool to ensure improved accountability with respect to the department's expected results and to better distribute resources among the activities and programs designed to achieve the department's objectives and major strategic orientations.

In the past, we had a great deal of difficulty assigning program resources to major strategic activities, because we were missing part of the picture.

[English]

In this round of planning, what you will see primarily are impacts of this new structure on three documents. The first one is the main estimates, primarily part II of the main estimates; the second is the report on plans and priorities, part III; as well, as I indicated, there is the departmental performance report that will be tabled in the fall of 2006 for the 2005-06 fiscal year.

Primarily, in part II it's the just the realignment of all of our resources by those major program activities—the seven—that will be new to you. I will give you a quick synopsis of the major changes in the RPP in a minute. The DPR will be an alignment similar to the RPP, so the DPR will be a mirror image reflecting the priorities and activities outlined in the RPP.

For the major changes in part III of the 2005-06 main estimates, or the RPP, you will find a set of departmental priorities that are more action- than outcome-oriented. These reflect the 11 priorities Madame LaRocque just listed for you. In addition, there is much more detail at the lower level of the architecture. This includes a program breakdown by each of the seven program activities; a planned result at either the sub- or sub-subactivity level; performance indicators—where these have been developed and validated—at those two levels of detail; and three-year milestones for the achievement of those key activities.

All in all, the addition of that information has added 40 pages to the RPP. We believe it will be useful in tracking the actual deliverables against the key priorities of the department.

For information and ease of reference, crosswalks on page 96 of the English version of the estimates—page 105 of the French version—show our new activity architecture to the existing organizational structures of the department. As well, we have our first pass at showing the accountability architecture—in other words, who is responsible for delivering what components of the architecture; that can be found on pages 87-89 in English and pages 96-98 in French.

The other main difference from last year's document is that we are no longer being asked by the secretariat to show a detailed listing of all contribution and grant programs. We actually just have a list; in the past we had a narrative that described all of this, which added about 20 pages to the document. The list is there with hyperlinks into our website to get full details on the actual programs themselves.

In summary, I'd just like to walk through the major changes in the departmental reference levels and I'll come back to the main-to-main comparison, which you'll find on page 12 of the deck. All in all, what we're showing for the department is a net decrease, main to

main, of \$9 million. That \$9 million is made up of a series of increases and a series also of decreases.

• (0955)

The Chair: Main to main—could we just have maybe a bit of explanation? The majority of our committee members are new members of Parliament.

Ms. Judith LaRocque: It means main estimates from last year versus main estimates this year. That's what we call main over main. Thank you for reminding us.

Mr. Bruce Manion: So this would not take into account the supplementary estimates for 2004-05.

On page 13, we have a second year in which, at the request of Treasury Board Secretariat, we've been asked to add to those main estimate figures a number of items that have either been approved in the budget or have been earmarked in the fiscal framework. They are relatively firm; we will be coming for approval for them through supplementary estimates. The hope here is to be able to give a better picture of the full resource requirements for the department at the time the mains are tabled. This is a relatively new addition; we tried it out last year.

In the comparison here, you'll see we start with our mains for 2005-06 of \$1.1 billion. We have some new items still in flux, still being developed; many of them were announced in the federal budget. We will be coming back to Parliament for final approval of them through the supplementary estimates.

The Chair: Can you clarify for the committee why the estimates don't necessarily match the budget?

Mr. Bruce Manion: The main reason is a question of timing. We don't have final decision on many of these items until after the final preparation of the mains. We're working with Treasury Board Secretariat to find a way to get more of the budget items into main estimates, but there has always been a traditional lag. There's about a two-week window during which a lot of things just cannot technically get into the main estimates because of time.

Ms. Judith LaRocque: There's also the element of budget secrecy. For example, \$60 million was earmarked for the CBC; we were very hopeful we would get it, but we could not put it in the mains because it had not been confirmed.

The Chair: Thank you.

Mr. Bruce Manion: As an additional piece of information, when we look at the total planned spending on the entire heritage portfolio, there is a net decrease from \$3.36 billion to \$3.32 billion—roughly a \$42-million reduction. If you like, we can speak to those changes as well.

The Chair: We are open for questions.

Mr. Schellenberger.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Thank you, and thank you for your presentation this morning.

I've had a couple of things brought to my attention. One of them is it shows a grant this year to TV5 of \$4.7 million. There was nothing for 2004-05. What brought that around?

Also, I notice in the aboriginal estimates here there's a cut from community grants of \$23 million. There are centres in aboriginal communities being closed, people losing jobs, and it seems, when you look in another part, money is being brought back into the ministry—some of it taken out of the community—for surveys and various other reasons. Is that happening? Why would \$23 million be taken from those communities?

Also, I know we're all in favour of our official languages, and everyone around this table is very much in favour of our Official Languages Act and program, but while our aboriginal communities are being cut, there are two lines here on page 510, I guess it is. One is "Contributions to support the Enhancement of Official Languages Program"—it gets an additional \$13.4 million; the other is "Contributions to support the Development of Official-Language Communities Program"—it receives \$16.2 million.

That's a total of \$29.6 million on those two things. Could you please explain why?

• (1000)

Mr. Bruce Manion: On the TV5 grant, this is a change from last year that in fact we put through in 2004-05 through the supplementary estimates (A).

We had worked with Treasury Board Secretariat to change the funding mechanism for TV5 from a contribution to a grant. It was felt the grant was a more appropriate vehicle for doing that, for a number of reasons, so at the request of Treasury Board Secretariat, we moved it from a contribution to a grant. Previously, it was not listed separately in the main estimates under the contributions. It didn't necessarily meet the threshold, but as a grant it must be shown. So that's the explanation for TV5. The funding level is roughly the same; it's just that we've changed the vehicle, and now that it's a grant, it must be approved separately by Parliament.

On the aboriginal reduction, there are two components to this. One is a sunseting of a number of programs. The \$23 million you were mentioning is the UMAC—urban multipurpose aboriginal youth centres. This program was sunseting at the end of 2004-05. It has been identified in the fiscal framework, and we will be coming back for that additional funding—the renewal of the program through supplementary estimates—but the program is continuing as of April 1, 2005.

If you want to see the reference for that, it is on page 91 of your blue book. In the planned spending, you see an additional amount of \$47.5 million for aboriginal programs; \$47.5 million of that is for the sunseting of these programs, and an additional \$20 million has to do with the \$5 million announced in the budget for the extension of the aboriginal languages initiative, and the first tranche of the \$160 million set aside in the fiscal framework to implement the new centre for aboriginal languages and culture. Whether or not that will actually be drawn upon will depend upon the final report of the task force, which we shall be receiving in the coming weeks. So that's the explanation for the aboriginal.

Ms. Judith LaRocque: On official languages, it's simply the continuation of the action plan, whereby we were not provided with all of the money in the first year, because we simply knew we would not be able to spend it, so it was sort of a ramping up. That is the equivalent amount of this year's ramping up for the official languages money, under that action plan.

Mr. Gary Schellenberger: I know we hear from various organizations about long-term stable funding. Since I've been here, the sun sets every day on so many things, and this is very frustrating to me. If I were part of these organizations, I would feel that has to be far more frustrating to them.

My suggestion is that somewhere along the line, these programs get that long-term stable funding so they don't have to come down to the crunch and I don't have to ask a question like that—because I'm sure these people were wondering, some place along the line, if it was going to carry on or not.

As I say, I'm very frustrated with this sunseting. I know it happens in sport. I can never keep track of the new funding from the old funding. It's just like the \$140 million that went in support of sport. One headline said amateur sport had received a \$140-million boost, and really they got a \$20-million boost. There was some stuff sunseting. Their budget is \$140 million, so they didn't get a boost; they got a boost of \$20 million. So just those things.... I hate to see the sun go down.

The Chair: Monsieur Kotto, or Monsieur Lemay.

• (1005)

[*Translation*]

Mr. Maka Kotto (Saint-Lambert, BQ): Thank you, Madam Chair.

Good morning.

That was a very fine vision-bearing presentation, because there is a vision here. Nonetheless, since I was involved in the area of culture in the past, I do have a number of questions.

I will begin with the overall context, namely the discussions and debates surrounding the draft convention on cultural diversity.

I see there were two points regarding this priority: to continue to develop a convention that will recognize the special role of cultural goods and services and establish an international framework of effective cultural policies that reaffirm the right of states to preserve and promote the diversity of cultural expressions.

The second point refers to the fact that Canada is recognized internationally for its leadership. I would like to know whether Canada will play this role and will insist that culture not be subordinated to normal trade laws.

This is an extremely important matter and leads me to talk about the people who were actually involved in culture, who, as far as this budget goes, are even more worried than they were before.

I am thinking about the repeated call from this community for an increase in the Canada Council's budget from \$151 million to \$300 million a year. This would give the community a minimum level of financial support so that its artists could make a relatively decent living and stop having to take jobs with no security in other areas just to survive.

If we are going to build our culture on a sound platform, we need soldiers, and our soldiers are our creative artists. If these people are doomed to financial insecurity, if there is no engine in the car, I do not know where this convention will take us—I am very optimistic, which I should not be—once it is sanctioned by our countries, including Canada. It takes eggs to make an omelette. For us, the eggs are these creative artists.

I talked about a vision, because every policy must have one. This is something that is rarely done. I have rarely seen anything as clear as this text, which sets out a definite direction. Where are the resources to do all this? I would mention the example of authors and writers as well. In Quebec, barely 9 per cent of them rely on their copyright payments as their main source of income.

The reduction or stagnation of the Canada Council budget contributes to this precarious situation. This « under-under funding » also means that the Public Lending Right Commission can only do what it can do. The amount it pays has gone from \$40 to \$24. There is less money to go around, and at the same time, there are more writers, and not just any writers. They are very talented individuals.

We have called for the abolition of the GST on books on many occasions. I asked a question of Mr. Goodale in the House, and he promised to look into this, but there was no mention of it in the budget. In addition, rather than helping fix the economic situation facing writers, the Minister of Canadian Heritage is asking them to make sacrifices by authorizing the reproduction and transmission of material for students electronically, without any additional requirement for copyright.

I raise this, because the issue is as follows: how can we claim that we are trying to build a strong national identity? How can we talk about cultural sovereignty if we do not have the resources to achieve it?

Ms. Judith LaRocque: Thank you for your question.

Mr. Maka Kotto: It was actually a series of questions.

Ms. Judith LaRocque: I will try to answer some of your questions, but I will also ask Jacques Paquette to come to the table. Jacques is the Assistant Deputy Minister responsible for UNESCO's instrument on cultural diversity. So I will ask him to join me at the table.

In the meantime, I would say that this year's most important issue has been renewing the program called Tomorrow Starts Today. That is what we focused on. We are very pleased to have renewed it for five years, which will provide a certain degree of stability. A lot of work went into getting the programs renewed.

Of course, we know there are other needs, including those of our artists. The minister was at the Canadian Summit of the Arts which was held in Montreal about two weeks ago and which brought together representatives from the Canada Council for the Arts, as well as representatives from Canada's 50 largest cultural organiza-

tions. The minister clearly indicated that she was well aware of existing needs, and that her next priority in the cultural area would be to work with the Council for the Arts to determine what the real needs are.

So we have begun that project. We have an idea of what their needs are, but we want to work with them to determine them specifically. That work will be carried out over the course of the year.

As far as copyright is concerned, the paper we will present to you at a later date—we hope it will be this spring—will attempt to balance the interests of both groups, and we will take into account the fact that we are very aware of the needs of creators, amongst others.

As far as abolishing the GST on books, unfortunately we do not have the authority to do that. Rather, that decision lies with the fiscal policy of the Department of Finance.

I will now give the floor to Jacques.

● (1010)

Mr. Jacques Paquette (Assistant Deputy Minister, International and Intergovernmental Affairs, Department of Canadian Heritage): As regards the negotiation of the convention, you wanted to know whether Canada wanted to continue its leadership role, and the answer is yes. We worked very hard before the start of the last session of negotiations in Paris, which was held from the end of January to the beginning of February. Since then, we have continued our discussions with other countries to garner as much support as possible and to try to find a consensus before the next session of negotiations, which will take place at the end of May.

Our position has not changed on that matter. As elaborated last November, Canada wants an agreement which will apply throughout the international system. Our point is that we do not want to see a hierarchy. Perhaps that answers your question. We want a full-fledged agreement, and that is the objective we will continue to work towards by trying to garner as much support as possible, as I just said, through various means.

[English]

The Chair: Mr. Silva, it's your turn

Mr. Mario Silva (Davenport, Lib.): Thank you, Madam Chair.

I'm pleased to note that the estimates, for the first time, have been based on seven activities, program activities. I don't have anything to use for comparison with how it was in the past, so I can't say whether that's a good thing or a bad thing, but I'm going to assume it's a good thing.

Because I'm new to the committee...I do have some issues; I mean, culture is quite important for me. There's no question about that. There are certain projects I have interest in that I don't know where to find in these estimates, so I need your help. I realize we're dealing with different programs and allocations of funds to the various departments, but what I don't see is the envelope for initiatives such as, for example, the film centre. The Toronto International Film Festival Group board—I was on it for about eight years in Toronto—has a very worthwhile project for the city of Toronto that I know has a lot of support from many of us as well as from the citizens of our city, but I don't see it there.

I'm going to throw a series of questions to you and see if you can answer them, or not, in a short time. The other one, of course, is the very worthwhile initiative of the human rights museum in Winnipeg. Where is that, again, in that envelope? Finally, we know we have lost major revenue from the loss of *Hockey Night in Canada* on CBC. How are they going to make up for that shortfall?

So this is the series of questions I want to throw at you in a very short time. I am hopeful you can answer them.

●(1015)

Ms. Judith LaRocque: Thank you for your questions.

On the question on the film centre, the Department of Canadian Heritage has a small infrastructure budget called capital spaces. However, the largest contribution we have made to any organization under that program is about \$2 million. I would say that would be the maximum. The budget in total is \$30 million, so it's a very small cultural infrastructure budget. Projects like the film centre project have applied under the infrastructure program, so that would be under Minister Godfrey's area of responsibility; I would imagine that envelope would show up under his estimates, but in a broader, bigger number than ours would.

On the Canadian Museum for Human Rights, as you know, the government did present an initial contribution to the Canadian human rights museum, I believe, a year and a half ago, and we have been working with the human rights museum foundation to see whether or not a further contribution would be made. That work is continuing, but there's no money in our budget for that. In fact, the initial contribution to the human rights museum came through the Department of Western Diversification. I would assume that if there were a further contribution, because this is a capital infrastructure project, the money would continue to flow through that department and not ours, even though we're doing some of the legwork because we are more familiar with museums than our colleagues at western diversification.

On *Hockey Night in Canada*, the CBC has indicated the lockout could easily translate itself into a loss of \$55 million to \$60 million. They have tried to recoup this by putting on movies on Saturday night, and they're trying to recoup some of their advertising revenues by offering strong programming as a replacement. As I said, it is mostly through popular movies.

Mr. Mario Silva: Can I ask also how the expenditure review exercise affected, or will affect, the department?

Ms. Judith LaRocque: Certainly.

Do you want to take that one, Bruce?

Mr. Bruce Manion: There are two components to the expenditure review. One is the sourcing for new programs taken out of individual departments. The second component is a review of management practices, primarily core functions like accommodations and procurement. That is being led by the Minister of Public Works and Government Services Canada for the first contribution. This is the review of all departmental program spending. The portfolio for Department of Canadian Heritage will be making a contribution, ramping up over the next three years to a permanent amount of \$10 million. That is entirely coming out of the Department of Canadian Heritage's operating budget. We will go \$2 million, \$6 million, \$10

million, and the \$10 million will be maintained on a permanent basis three years out, and for future years.

That reduction is not targeting individual programs—in other words, grants and contributions. We have been directed to look primarily at the cost of delivering those grants and contributions programs, and we're embarking on a review of all our operating expenditures in line with some improvement processes we launched several years ago to try to streamline and simplify our application processes. The kind of accountability in reporting we impose on some groups is a paper burden to them, and we are trying to get a lot of our applications and the application process online.

Our estimate is that the \$10 million is achievable within the three-year timeline, based on things we already had in train, and there should be minimal reductions of jobs as a result. There will be some changes to the type of work being done, but any job reductions would be managed through attrition, and there should not be large changes or impacts on our regional operations.

●(1020)

Mr. Mario Silva: Therefore, that means there won't be any cuts to agencies like CBC or the Canada Council. This is will be the upside.

Mr. Bruce Manion: That's right.

Mr. Mario Silva: It's sometimes difficult to figure out exactly what moneys we're spending on our cultural infrastructure, our cultural institutions, in Canada, because these moneys come out of different envelopes and different departments. A perfect example is the incredible amount of money the federal government is spending in Toronto on arts institutions—for example, on the ROM, the AGO, and the ballet and opera house.

Where do you put in those moneys, and in what equation, to give us a real perspective on the moneys we're spending on the arts and arts infrastructure in Canada? I'm sure Toronto is just one example of many across the country.

Ms. Judith LaRocque: I don't have that whole number here with me. I think we would have to do a bit of research work to get that for you.

There are clear areas where the infrastructure pot...our \$3-billion contribution, if you look at the whole portfolio, if you look at the CBC and everybody else. We probably also want to look at how we're leveraging our money. In some of our programs, such as the endowment funds, really, \$1 can sometimes create \$3.

I'd like to say that I have that figure for you, but I'm afraid I can't. We'd certainly be happy to take a stab at what that number would look like.

Mr. Bruce Manion: There is no compilation of that number across government for public accounting purposes. Treasury Board Secretariat is looking at new ways to report more horizontal-type activities like culture. To date they've spent some time working on horizontal framing for aboriginal, international, and some environmental issues.

So we're looking at ways of being able to get that information. There is a proxy, however, and that's in some of the work we do for the annual Statistics Canada report on the total amount invested in culture in Canada. It aggregates all spending—by governments, by NGOs, by municipalities, by private sector. So that would be a source for this.

As well, we participate in—

Mr. Mario Silva: I think it's so important to get a true figure of where the moneys have been spent in Canada. I think the big problem and the frustration I have is that we see the estimates, we see the money that's here from the departments, but they aren't really an honest reflection of the moneys being spent, particularly by the federal government. Even for the private sector money that's coming out, a lot of it has to do with some of the tax structures that have been changed in the last little while and that allow many companies and individuals to contribute to the arts because of the tax incentives in place.

All of these factors mean that there's been a huge increase in the arts in the last three years. Unfortunately, it's not coming out in your estimates. I want to get a true picture here, so any numbers you could provide to us would be greatly helpful.

Mr. Bruce Manion: We will do that.

The Chair: Mr. Schellenberger.

Mr. Gary Schellenberger: I know that the Tomorrow Starts Today program, in the budget, was received well. Tomorrow Starts Today got passed, and has a new sunrise, but it also has a sunset. I don't know if I'm reading things right here, but is it in the 2005 budget for \$147 million, or is it more than that? In 2005-06 it's static. In 2007 it drops by \$20 million, in 2008 by another \$20 million, and in 2009 another \$20 million. This is not stable long-term funding. Some programs are going to be hurt by this.

If it's such a good program, why isn't it at least stable across the five years? Is it done this way for a reason?

Ms. Judith LaRocque: Mr. Schellenberger, perhaps we can just ask you what page you're on.

Mr. Gary Schellenberger: I took that right out of "Evolution of 2005-2006 Main Estimates" here, which has Tomorrow Starts Today on the back page. I don't know if it's \$147 million or \$171 million, but it's somewhere around there. On page 13, it's Tomorrow Starts Today, \$147 million, right? My understanding of the budget is that it is stable funding, and it might even be increased a wee bit for 2005-06, but then in 2007, 2008, and 2009 it drops \$20 million a year, right?

• (1025)

Mr. Bruce Manion: No. The total amount for TST has been renewed at \$172 million, stable for five years. What you are seeing is the part of the TST that was actually funded through reallocation of programming. That's the additional bit you're quoting as being the \$20 million. But it is also not disappearing; that reallocation is still being done.

So there is no programmed-in reduction of TST in that renewal.

Mr. Gary Schellenberger: If that's the case, then I would hope that after the second year the program would be revisited. If it's a

good program—and I feel it is—then that program could keep the five-year type of funding so that people do know what's going on.

I have one other question, with regard to page 8 of the first presentation here: "Protecting federal heritage assets: working with Library and Archives Canada and other Government organizations to address issues raised in 2003 Auditor General's Report". I know that some of our archival and library storage has been in jeopardy for a long time. How is that coming along?

You also mentioned in your presentation: "Developing a new federal museum policy: to assist communities across the country in capitalizing on the value of their heritage assets". I'm very involved with a lot of small museums, and I know that small museums need help. Is that help going to be there for some of our small museums? And what might be the way that some of these people can activate some of this money?

Ms. Judith LaRocque: With regard to your second question, I'm going to invite Lyn Elliot Sherwood to the table. She is our specialist in heritage and museum areas.

In answer to your first question, we're working with Library and Archives Canada right now to assess their needs, both long-term and short-term. There are some short-term situations, almost emergency, I would say. A building in Gatineau that's been bought by Public Works is being refitted right now to accommodate increased storage. I think it's an old Zellers building. The shelving is being purchased, that kind of thing.

We're also working with our colleagues at the other collecting institutions, such as the National Gallery and the Museum of Civilization. All of those collecting institutions will eventually need greater storage space. In some cases it has to be museum-quality, environmentally friendly, that kind of thing.

Those are the kinds of issues we're dealing with now and trying to assess. We'd like to have a strategic plan for everybody, that accommodates everybody, and I think we'll be able to do that.

We are looking at the possibility of coming forward with the notion of building a second Gatineau preservation centre. There is room next to that first preservation centre in Gatineau for a second one to be built, if necessary. But those are really quite expensive propositions. We are trying to look at what the best course of action is.

Perhaps I'll ask Lyn to answer your second question.

Ms. Lyn Elliott Sherwood (Executive Director, Heritage Group, Department of Canadian Heritage): We're working with the museum community across Canada to identify needs, and we do see quite different needs in small and large institutions.

We think the provincial museum associations can play a terrific role, and we have some examples out of existing programming. For example, the Federation of Nova Scotian Heritage receives a contribution from us to develop a project that then benefits six or eight of the small museums within the federation. That looks like a very promising group, because a lot of the smaller ones, which are entirely volunteer-run, have difficulty in developing a credible application in order to get the resources together, whereas the federation can do it on their behalf. The projects we're looking at are designed to help them become more stable, to recruit new volunteers, and to be credible with their own local governments in terms of the kind of support they receive locally.

That's one example of where we're looking at how we can shape our approaches to fit their realities.

• (1030)

Mr. Gary Schellenberger: Is there any capital money for any of these people to maybe do some of the works that have to be done federally with our libraries and archives? Is this only for museums, or are archives part of the policy also?

Ms. Lyn Elliott Sherwood: We're certainly looking at the needs of archives as well. When you talk about capital, as the deputy alluded to earlier, Cultural Spaces Canada is open to arts institutions and to heritage institutions, so that they can come forward under those programs.

Mr. Gary Schellenberger: I just mentioned the archives for one reason. In Perth County, Stratford, we have a tremendous archives and a tremendous administrator, which I know from a tour there not too long ago. It's a good thing I don't work there, as I would be stuck in the aisles, because in their small premises, they've had to move the works closer together; I had walk in and back out.

It's a tremendous resource that's there; all the resources aren't necessarily in our nation's capital. I think some of these smaller archival places and museums have to be looked at, because there are great, cherished works in those places.

I just thought I'd add that. Thank you.

The Chair: Thank you.

Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Good morning. I would like to talk about sports, but before I get to that, I would like to raise two points. I will put them to you one after the other. Perhaps a representative from the sports or cultural sectors will be able to answer.

On page 5-10 of the 2005-2006 government estimates, under "Contributions in support of the Arts Presentation Canada Program", but more specifically under "Contributions in support of the Cultural Spaces Canada program", there is a \$10 million decrease in funding. I may be mistaken. I hope I am imagining this. You have received funding requests totalling over \$60 million, and you will get more. You have created expectations. Is it possible—perhaps I am dreaming in technicolor—that there will be supplementary estimates for the Cultural Spaces Canada program? It is a fact that we fought to include Tomorrow Starts Today in that program. The money is

essential if we are to renovate and repair our cultural spaces, especially in the regions.

I am wondering whether there is a decrease, when in fact there should have been an increase, given the number of applications. That is the cultural part of my question here today.

Let us now move on to sports. I read everything. To begin, I would like to congratulate you, because nowhere did I read the word "amateur". Finally!

Ms. Judith LaRocque: We have learned our lesson well, Mr. Lemay.

Mr. Marc Lemay: Well, that word is gone. We will talk about real things, like sport.

On page 33, the Canadian Heritage 2005-2006 Estimates indicate that the Interim Canadian Sport Review Panel will soon be reporting. If so, when is that report coming out? Will we have a copy of the report, or will it be confidential?

Am I wrong? When we look at this budget, we see that we are finally developing a vision for sport in Canada. It talks about excellence, development, the new generation, coaches and international events. I say this because I believe—I have always said this, and I have worked in the sports field for 30 years, 20 of them at the international level—that Sport Canada must focus on excellence, the new generation and its development, and of course, support for coaches.

On page 28, the estimates state that there are "improvements in the support of employment and working conditions for qualified coaches". How will these improvements be made? What will those improvements translate to in practical terms? Will some of the good coaches who have moved on to other—perhaps greener—pastures come back?

How will we establish a planned and coordinated federal/provincial/territorial process to determine what international sports events will be hosted in Canada? I have 25 years of experience in international sport. You can never succeed with this if you don't impose some direction. I am talking about world championships, world cups and the Olympic Games.

In my view, you are responsible for imposing that direction. That is what I understand from the phrase "continuous development of a long-term strategic approach." The problem is that we will not know any time soon where the 2012 Olympic Games are to be held. If they are in New York, we would do well to host many sports events. The long-term can in fact be very short.

Further on on page 29, we see a proposal to establish an international sports events coordination group. In my view, there is no need for that group. You will probably give me good reasons for creating one. But why do you need one? In my view, you are responsible for demonstrating leadership, but perhaps I'm wrong.

Those were the questions I had on the topic of sport.

• (1035)

Ms. Judith LaRocque: Madam Chair, I would like to introduce Tom Scrimger, Director General of Sport Canada.

[English]

Mr. Tom Scrimger (Director General, Sport Canada, Department of Canadian Heritage): I'm just going to make sure I understand all of the questions in front of me.

The first one was, when are we expecting the recommendations from the Canadian Sport Review Panel? The Sport Review Panel provides recommendations to the funding partners, including the Department of Canadian Heritage, the Canadian Olympic Committee, and the Canadian Paralympic Committee. We're expecting the first set of recommendations towards the end of April or early May, which will deal with summer Olympic sports and winter and summer Paralympic sports, and the panel is also working presently on finalizing its review of winter sports. We expect recommendations for that probably by mid-May. Our commitment is to integrate these recommendations from the Canadian Sport Review Panel into the funding processes for the 2005-06 fiscal year, so that the additional moneys made available for investment in high-performance sport can be announced and be provided to the sport community beginning this year.

Will the recommendations be made public? As you know, we have a transparent process going back with the sport funding and accountability framework. We intend to continue that practice so that the recommendations, or decisions made from the recommendations, will be made available for all to see; in other words, there will be no secrecy about which sport is being invested in and by how much. Those kinds of funding decisions will be made public and be available to the community or public in general.

The second series of questions, if I understood them, related to the emerging excellence strategy. Are we focusing on excellence? The short answer is, absolutely. The Canadian Sport Review Panel is the body of sports technical experts providing recommendations not just to the Ministry of Canadian Heritage, but also to the Canadian Olympic Committee and Canadian Paralympic Committee, as well as funding coming in from the Vancouver Organizing Committee, on how we can best invest our limited funds in high-performance sport to maximize results. As we know, those investment areas have to include, by definition, an increased investment in coaching, both in providing increased funds to be able to pay coaches more, improving their living conditions, and meeting the demand for more coaches; some of our teams require increased coaching. It is also dealing with making investments in *La Relève*—in other words, not just looking at the very top of our national team programs, but also looking at how we invest in a long-term athlete development model for a high-performance sport as a whole. Our objective is to fund appropriately the long-term athlete development model for high potential sports. Those models must look at what the next generation of high-performance athletes is, by definition, or we will have no long-term success.

There was a series of questions about hosting. As you may be aware, following extensive federal leadership, ministers in 2004 agreed to a strategic hosting framework, and all provinces and territories endorsed the framework. We're in the process now of integrating the framework into our federal policy on hosting, but the direction of the framework is our working principles. In the framework, we did identify on page 32 the coordinating group that you mentioned; it is a very small two-person team that is effectively

trying to coordinate federal-provincial-territorial activity. The objective is that each year, when the sport ministers sit down and meet, we would be able to provide the sport ministers with a 25- to 30-year view of hosting major international events.

In that review, we proposed certain objectives for Canada as a host country. We've proposed that Canada would host two major international multisport events every 10 years as an objective, so we need to figure out in that process how many events we will bid on. I don't mean to talk in code, but think of major multisport events, such as the Olympics, the Paralympics, the Commonwealth Games, the Pan-American Games, and the World University Games, all of which are major multisport events that require a significant investment of all orders of government to be hosted in Canada.

Every second year, or once every two years, we're looking at hosting in Canada an event the size of the World Aquatic Championships to be held in Montreal this summer, or the World Road Cycling Championships held in Hamilton a year and a half ago. Again, those would be investments in the second tier, if you wish, of international sporting events.

Finally, in our framework, we're looking at supporting between 30 and 40 smaller international events in Canada each year through our single sport hosting program. These smaller events are not attached to the extensive federal-provincial-territorial process, but are mainly run through Sport Canada—but again, we're thinking of world cups and smaller world championships, such as the Snowboard World Championships, which just happened this past January in British Columbia.

● (1040)

So in that sense, I think we have exercised a great deal of leadership in bringing sport ministers and the sport community together—most recently last week at the Sport Tourism Alliance conference, when we spoke to them of trying to create a vision of what we want to try to achieve as a country in international hosting. We have consensus on the direction in which we want to go, and we now need to work on financing mechanisms and other coordinating mechanisms to ensure that we have an effective implementation.

The Chair: Thank you, Monsieur Lemay.

Mr. Marc Lemay: Can I have my answer?

[Translation]

The Chair: Mr. Lemay, you have exceeded your six minutes.

Mr. Marc Lemay: Madam Chair, that was the answer to my first question.

Mr. Bruce Manion: I will answer quickly. Funds from the 2003-2004 estimates were carried over to the 2004-2005 estimates for the Cultural Spaces Canada program. This increased the amount of the contribution by some \$9 million. The figure of \$37 million is unusual. The core budget is somewhere around \$27 million.

Mr. Marc Lemay: Thank you.

[English]

The Chair: Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Madam Chair, actually, that was my question, and I didn't quite get the tail end of that, with the discrepancy of \$10 million.

Mr. Bruce Manion: What happened for 2003-04 is that through the reference level update process that we have with Treasury Board Secretariat, if we can identify funding that likely will not get spent in the given fiscal year, we do have the ability to move that forward to a future fiscal year, and it gets booked in the fiscal framework accordingly. That would then get presented through the estimates. In the cultural spaces program in 2003-04, an amount of approximately \$9 million was identified as not being able to be spent, for technical reasons, to meet the fiscal year-end cut-off that we have, and it was moved forward into 2004-05. So the 2004-05 amount of \$37 million is actually a beefed-up number, if you will, that then would go back down to its normal reference level of approximately \$27 million per year.

• (1045)

Ms. Judith LaRocque: If I could just add, Mr. Simms, one of the difficulties we have in the cultural spaces program is that a cultural infrastructure project has to begin and end within the same fiscal year. So if, for example, at the end of the fiscal year there's a project that is worthwhile but we know we couldn't finish, we can't really start it because we're not able to spend over two years.

Mr. Bruce Manion: This issue is that we are not able to provide funding well in advance of need, as per the Treasury Board transfer payment policy. So as a result, we do have some timing issues that we are working through with the program and the Treasury Board Secretariat to try to find a way to get around this systemic problem. At year-end, what we wind up seeing is that, especially smaller projects that are being undertaken by small organizations that have less experience and capital projects, they have a hard time getting going, they're cash-raising tends to be a little soft at the beginning, and they hit the wall as they get towards fiscal year-end.

Mr. Scott Simms: For the record, Madam Chair, I'm quite disturbed by that, because I think the systemic problem you're talking about is the system. If it is indeed a problem for many of these regions to go through the hoops and go through certain barriers to find this cash, we cut them off artificially at the end, when in fact what we should be focusing on is the project itself and the benefit that comes from it as opposed to a guideline dictated to them. I've seen this time and time again. It's not just your department, it's other departments as well.

A voice: It's Treasury Board.

Mr. Scott Simms: Then we should have a discussion with them.

When you say to me that you don't want to start something that you know you can't finish, it's highly insulting, quite frankly.

Ms. Judith LaRocque: The difficulty is that appropriations are voted for one fiscal year at a time by Parliament, so we don't have the guarantee of those appropriations in a future year. But we understand your concern; in fact we share your concern, and we are working both with our regional offices and with Treasury Board to try to find a solution to this issue.

Mr. Scott Simms: As an example, several of the projects identified in this program require outdoor work, and we compel people to work outdoors on pads, on structures, and they're dying out

there—not literally, but basically it's very harsh weather. So they get held up for certain reasons, and then for a question of appropriations.

I'm sure you agree with a lot of what I'm saying.

Can I put that on the record as a yes, as a nod?

Witnesses: Yes.

Mr. Scott Simms: And therein lies the problem. So it's nice to know that you're understanding of this issue, but certainly it strikes deep to me, because I don't feel that a lot of money is being spent in cultural spaces and I'm concerned when I see a \$10-million decrease. And yes, it was carried over from last year, but does that mean this gets carried over for next year? In other words, of the \$27.6 million, will there be more money in that carried over from last year, that \$37 million, or is that it?

Mr. Bruce Manion: No, it's carried over for one year. So it was in the estimates for this past fiscal year, 2004-05. If the money is not spent in that fiscal year it would, because it's a grant of contribution lapse.

Mr. Scott Simms: Okay.

Mr. Bruce Manion: I take your point: there is a weakness in all capital projects and major crown projects of the same issue in relation to an annual appropriation scheme. In addition, now that we've moved to an accrual basis for reporting, we have a gap that we're also having to bridge between a cash basis for the estimates and an accrual report. So we would all be in favour of being able to do anything the members of this committee or members in general could do to help us change the way the estimates are based. But right now it's a very artificial constraint that does not line up with the needs or the realities particularly of small recipient groups.

Mr. Scott Simms: I think it would be a shame if a great project in a certain area where it was needed, for not just cultural but for economic reasons, fell victim to generally accepted accounting principles. But I'll let that stand.

The other question I have concerns multiculturalism. Again, I may be picking on some other department. I'm glad you're here so I can get this all out through you. It deals with the multicultural policies we have. One of the things I feel we lack is that we don't sell Canada—as in other regions of the country—to recent immigrants.

What is the role that Heritage plays in promoting the rest of Canada to people who settle in the major centres, to immigrants who come to the major centres, who are not necessarily looking to stay there but who don't really have a choice? What role does this department play in that, if any?

•(1050)

Ms. Judith LaRocque: I'll invite Tina, our DG for multiculturalism, to come to the table as well, but I will give you the beginning of a canvass. When immigrants arrive in Canada, their very first contact and long-term relationship with the Canadian government are with the Department of Citizenship and Immigration. It's the Department of Citizenship and Immigration that is involved in settlement services, in helping the new citizens and new immigrants to obtain language training, for example, that kind of thing.

Our programs in multiculturalism are more designed to encourage capacity building among those groups, to give them the ability to fully participate in Canadian society, to remove barriers, that kind of thing.

I'll ask Tina to say a few words.

Ms. Kristina Namiesniowski (Director General, Multiculturalism and Human Rights, Department of Canadian Heritage): Within the multiculturalism program we have four priority areas that we've identified for funding. We look at providing funding to groups to deal with cross-cultural understanding, to deal with civic participation, to deal with anti-racism measures, as well as to deal with institutional change.

I think, as our deputy has articulated, we don't deal with the issue of settlement of immigrants within the country; we really look at their integration over the longer term. We complement the work that CIC does. CIC really focuses on what it takes to bring an individual to this country and to make them a Canadian citizen. Obviously we're talking about the longer-term integration of those individuals within Canada, so that they become fully participating members in all aspects of our society: political, social, cultural, as well as economic.

Mr. Scott Simms: I guess for me it's a question of promoting this country to recent immigrants.

The Chair: We're about to run out of time, and this is not going to be our last meeting on the estimates, so you might want to hold that for another time.

Ms. Bulte, did you want to get in any questions here?

Let me just wrap up by thanking our witnesses,

[*Translation*]

Mr. Lemay did not see the word "amateur" anywhere. As for me, I have neither seen nor heard the word "woman".

[*English*]

I couldn't help wondering if Status of Women is still the responsibility of the department.

I have another couple of questions in terms of employment diversity in the labour force, but maybe I could follow them up following the meeting. As I look around the room I don't see a lot of it, and I think if we talk about combating racism in the country we need to do it in our own workplace.

I think one thing touched on a number of questions members asked this morning: could you give us a better explanation of where

and how in the estimates we can track capital projects? Because they are not completed in a year, I think that makes it very difficult for Parliament generally to hold ministers accountable for that area of spending.

Ms. Judith LaRocque: I do not believe they're listed in the estimates as individual capital projects, but we certainly have that information and we have made that information public previously, so we would be happy to provide it to you.

The Chair: That's the difficulty in accountability. It's money being spent, but it's not shown in the estimates.

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): I do have a question now, Madam Chair.

The projects in Toronto, the renaissance projects like the art gallery and the Royal Ontario Museum and the ballet school, are still ongoing. They didn't happen in one year. Is it only your cultural spaces—when I say yours, I mean the department's cultural spaces—that are subject to that one-year limitation? Why aren't the others?

•(1055)

Mr. Bruce Manion: I'll answer it differently.

You're talking about very large-scale projects, and first of all, they apply a level of discipline and rigour that costs a lot of money, the same as a major defence procurement or major defence capital project. They hire large groups of people to be able to do detailed planning, cash phasing, etc. So they're way up there as far as the game of doing capital projects is concerned.

Nobody is exempt from the hard fiscal year-end cut-off as far as expenditures go. If we are paying for something that is coming out of a parliamentary appropriation, if it is not spent by the end of March, it lapses. It's the same thing if we are reimbursing expenditures. The expenditures have to be incurred in the fiscal year. We don't have the ability to reimburse expenditures that are going to occur in future fiscal years, and that is in keeping with the transfer payment policy.

So when you're talking about a major renovation project or a construction project like the War Museum, they have a phasing of cash that will run up by major component of work and is then built into the cash they need for a given fiscal year.

Now, they also come into problems if all of a sudden one of the elements of their project runs over, or if it accelerates. So they have to do some balancing. But at the end of the year, they have the hard cut-off like everyone else.

But the big problem is in the smaller groups where they don't have a capacity to do that very detailed cash-phasing study and be able to program it out. That's particularly a problem with small organizations.

The Chair: Thank you very much.

Again, thank you to our witnesses.

If the committee could take a couple of minutes, what I would like to do is ask our clerk to check with the minister's office on her availability. There are two issues we said we would be interested in meeting with her on. Could you give some consideration as to whether there are areas of the estimates that we'd like to focus on when we meet with the minister, or do we want it as broad-based as

possible? It's entirely up to all of you. Maybe we could have a bit of that discussion on Thursday morning.

I will adjourn this meeting, then.

Is there any other business from any committee member?

Thank you all very much, and see you on Thursday.

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