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Chair

Mr. Gary Schellenberger

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•(1105)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): I am calling to order meeting 34 of the Standing Committee on Canadian Heritage, pursuant to Standing Order 108(2), a study on the management of grants to cultural organizations by the Department of Canadian Heritage.

This morning we have with us, from the Department of Canadian Heritage, Jean-Pierre Blais, assistant deputy minister, cultural affairs, and Pablo Sobrino, assistant deputy minister, planning and corporate affairs.

Welcome, gentlemen.

Yes, Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): I have a bit of housekeeping.

We've had I don't know how many changes to the agenda for today. My understanding was that we were going to be dealing with some of our committee business. Now I understand that it is being held off until Thursday.

Is that the case?

The Chair: That is correct.

Mr. Charlie Angus: My only concern is that we have to address the committee report on cuts to musical diversity. It had been raised at one of our earlier meetings that meetings are at a premium. I'm concerned about us losing time. We're going to have to have another planning meeting. We're going to have to deal with the musical diversity cuts report. Then all the other work we want to do will start to get backed up.

I'd like to just put on the record that I'll go along with the wisdom of the chair and the clerk at this point, but we have to make better use of our time.

The Chair: We have a two-hour meeting on Thursday. It will be on business, and we can talk about those issues at that particular time.

Mr. Charlie Angus: Okay. Thank you.

The Chair: Go ahead, please, Mr. Blais.

[Translation]

Mr. Jean-Pierre Blais (Assistant Deputy Minister, Cultural Affairs, Department of Canadian Heritage): Thank you, Mr. Chair.

I am pleased to be here this morning to provide you with information on the arts and culture grants and contributions process in the department. With me is my colleague, Pablo Sobrino.

[English]

Pablo is the assistant deputy minister of planning and corporate affairs, so he has a broader picture of all grants and contributions within the department.

For my part, I cover most of the arts and culture funding programs—not all of them, but most of them—in the department.

Between the two of us, we hope to be able to provide you with answers to most of your questions.

You have in front of you a nine-page deck. I know that time is at a premium. We will speak to the deck

[Translation]

in order to leave as much time for questions and to speed up the process, Mr. Chair, I will move to page 2.

Since you are all members of this committee, I presume that you already understand the importance of culture for Canada's social and economic development, as well as the various programs and tools in place. I will therefore immediately give the floor to Mr. Sobrino.

Mr. Pablo Sobrino (Assistant Deputy Minister, Planning and Corporate Affairs, Department of Canadian Heritage): Thank you, Jean-Pierre.

First of all, I would like to say that our department is responsible for the grants and contributions. Canadian Heritage provides close to \$1.1 billion a year in grants and contributions.

[English]

We have a total of 39 programs with 43 subcomponents to those programs to administer, programs that vary from the arts and culture programs to heritage to aboriginal youth through to sport. There were 7,800 grants and contributions that we approved in 2008-09, the last fiscal year, and over 4,000 of those were approved by either the minister or the minister of state responsible for the programs.

We also administer some programs, and one of them is the Celebrate Canada files. These are files that are less than \$3,000. We processed 1,400. Those are for the Canada Day celebrations.

Then our director general of sport processes the athlete assistance program cheques, which are contributions to individual athletes, carded athletes, high-performance athletes. We processed about 2,300 of those.

Our approach to managing programs is to balance both delivering on program objectives of the government while ensuring proper accountability, due diligence, and managing our risk appropriately.

Turning to page 4, there's a very brief outline of the framework that we operate under. There are three elements to it. One is the legislative framework with a number of statutes for which we are responsible that dictate the accountability regime we've put in place.

There is a policy framework that is established by the Treasury Board Secretariat. The most important policy in this business is the Treasury Board policy on transfer payments. It dictates how we are to manage transfer payments for programs.

Finally, there is a risk management framework. This is how we organize ourselves to balance risks as we process individual applications.

Much of what we're changing in terms of grants and contributions follows from the recommendations of the blue ribbon panel on grant and contribution programs. This panel met in 2007 and delivered a report, which the government then implemented in 2008 in the form of an action plan. Canadian Heritage was one of six departments that were known as vanguard departments. The six departments were asked to lead in the development of action plans.

Fundamentally, the action plan—we have 21 initiatives that I could go through, if you wish—is about communicating better with our clients, managing the risk, and improving our processes in terms of moving files through the system.

In terms of communicating better, one of the issues on which a question has come up many times has to do with the service standards, the length of time it takes to put a file through the process from application to delivery of a first payment. On April 1, 2010, we expect to be posting on our website service standards for all our programs so that our performance can be measured against those standards.

I'm just going to turn to page 6 and go back to Jean-Pierre, who will speak to the arts and culture programming specifically.

•(1110)

[*Translation*]

Mr. Jean-Pierre Blais: As my colleague has indicated, we support a wide range of activities, programs, individuals and recipient associations throughout the department, in particular in the field of arts and culture.

[*English*]

This vast diversity of clients goes from very small not-for-profit art and heritage organizations to much larger for-profit businesses in the cultural industries, book publishers, periodical publishers, music. So our clientele is very vast and varied.

We also have a diversity of the types of clients. We have very small, less sophisticated organizations where you sometimes have one volunteer who is involved in dealing with things like applying for grants and contributions to very large corporations that have significant internal capacity.

Because of that broad diversity and taking into account the diversity of objectives that programs have, we have designed

programs to meet, on the one hand, the service needs of our clients while maintaining the accountability or proper stewardship of the money.

[*Translation*]

I thought it would be useful to present you with two case studies to explain what it means in practical terms, on the ground, to create a structure for programs that have a number of objectives.

The first I will talk about is

•(1115)

[*English*]

The Canada Arts Presentation Fund was created in 2001 to give Canadians direct access to a wide variety of professional artistic experience in their communities. This fund provides financial assistance to not-for-profit organizations that professionally present arts festivals or performing arts series, as well as their support organizations. To support them, we have both grants and contributions.

I'll stop a moment here; perhaps not everyone understands the difference between contributions and grants.

From a paperwork perspective, the more heavy aspect is a contribution. It's actually a contract. It's a detailed contract that is signed, on the one hand, by the crown or the federal government, and by, on the other hand, whoever is getting the recipient money. It has detailed payment schedules. It has reporting, sometimes monthly, and accounting. Oftentimes we require audited financial statements. It's a very complex system.

That is appropriate in certain circumstances, but not in all circumstances. In other cases, we use grants. Grants basically take the form of much less paperwork. There is a letter granting the amount of money. A cheque is cut, usually one single payment rather than a whole series of payments over time in exchange for reports. In the end, there's a final report that is broad in scope.

Pablo mentioned earlier that we do a risk-based analysis. In certain cases, because of the history we've had with clients or because of the amount at play, we take a risk-based analysis and go towards a grant approach rather than a contribution approach. In other cases, because of the scope, complexity, nature of the program, or the track history, we go towards the higher contribution, which administratively takes the more complex process of a contribution agreement. They're both appropriate, but one has to have the right dose in each one of them.

From the client's perspective, it's a lot easier to be in a grants situation.

[*Translation*]

The grant mechanism is much simpler. The analysis process is similar, but ultimately, recipients receive their funding faster. Their reporting requirements are lighter.

The assistance provided through the Canada Arts Presentation Fund is distributed as follows: 46% to festivals, 38% to series presenters and 11% for a combination of festivals and presenters. The average level of support is about 12% of eligible expenses.

[English]

The average amount is about \$49,000 per applicant, but the medium amount is about \$25,000. You can see that it's a relatively small amount of money for most of them.

Of the approximately 550 folks we deal with, 60% are dealt with through a grants process, even though that only represents 20% of the overall budget. That's much easier for the clients to deal with because it's that lower amount. From our perspective, it's the appropriate risk balance.

On contributions, however, we do about 240 of those 549. About 40%, in terms of the volume, are contributions, but that represents about 80% of the money.

Year to year, we try to improve that mix of grants versus contributions. For instance, in 2006-07, the Canada Arts Presentation Fund did 40% grants. In 2008 that number was nearly 60%. Next year we expect that the number will grow. We're trying to adapt to the burden that contributions create for people.

By the same token, we've also adapted by having multi-year contracts. Even when we go to contributions, there's a way of doing it in a multi-year process, which means that the client deals with us one time. We analyze the application.

[Translation]

Thereafter, a multi-year contribution agreement is reached. That is also a way to reduce reporting requirements.

On page 8, you have the Canada Book Fund—formerly known as the Book Publishing Industry Development Program, PBIDP—with an annual budget of approximately \$37 million.

[English]

More specifically, it's helped to foster a strong Canadian-owned industry that delivers world-class Canadian books to readers across the country and around the world.

Now, this program has three delivery mechanisms. About 66% of the amount of money associated with the program is delivered through a formula based on the sales of the previous years. An amount then is calculated to provide it. To do that calculation across the industry takes a certain amount of time, but once you have all the information, the calculation is actually quite easy to make. This works, because you have a homogeneous group of recipients and it rewards success, but it's also very predictable. The applicants have a sense of how they will come out in it.

There are other parts of the \$37-million program that are project-funded. This is more of a selective process. Applicants will come in with a marketing project, for instance, or a professional development project, or a technological improvement project. In those cases, of course, the analysis has to be done to see how and if indeed—there's always a limited number of funds—we allot the money to the most meritorious cases.

The third example is third party delivery. We have in Canada the Association for the Export of Canadian Books, an expert group that for years has been involved in marketing books on the international

stage. We use their facilities to deliver that program because they do it quite well, and it's highly specialized.

When we're balancing, as Pablo was mentioning earlier, the need for an efficient delivery, on the one hand, with proper stewardship, we try to tailor-make the various delivery mechanisms to deal with this. We're always trying to improve the service to clients.

• (1120)

[Translation]

I now give the floor to Mr. Sobrino.

[English]

Mr. Pablo Sobrino: I know that the committee has discussed the problems we've had. There's no question there are problems, and we recognize that. We're moving forward with this action plan in response to the blue ribbon panel. We are reviewing our processes. We are striving to be more efficient and more effective.

We are also working to ensure that the arts and culture programs respond to clients' needs and expectations and that we are able to meet the program objectives of the government.

Without further ado, I'll pass it over to you, Mr. Chair.

The Chair: Thank you very much for that presentation.

Our first questioner is Mr. Rodriguez, please.

[Translation]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you, Mr. Chairman.

Thank you to both of you. I am happy to know that I am not the only Pablo in town; it is rare to meet one.

A voice: There was another one, Pablo Picasso.

Mr. Pablo Rodriguez: Yes, but he does not live here!

It is interesting to be given an overview of what Canadian Heritage does. However, today's meeting deals more specifically with the management of grants and to problems of disbursement and delays, in certain cases, among other things. I had the opportunity to tour Canada this summer on the issue of culture and I met with organizations from right across the country. There were serious problems. I have in mind certain festivals or programs in Montreal where the money arrived after the event or perhaps in the week preceding it. It is impossible to plan under such circumstances, and that puts certain events at risk.

Do you have any general comments to make on that?

Mr. Jean-Pierre Blais: You are quite right to say that in some cases, there were glitches. As far as festivals are concerned, one of the problems is that funds are allocated in February or in March and the program must be delivered the following summer. Most festivals take place during the summer. We could avoid these problems by negotiating agreements covering several years. In that way, the planning cycle would be longer. Rather than starting the cycle one or two months before the summer, which is festival time, we can begin earlier.

Mr. Pablo Rodriguez: How are the multi-year agreements coming along?

Mr. Jean-Pierre Blais: Within the framework of our action plan on the delivery of grants and contributions, it is one of the vectors through which we can improve the quality of service. It will vary from program to program.

Mr. Pablo Rodriguez: Are some programs more problematic than others?

Mr. Jean-Pierre Blais: It is risk-based. We cannot say that we will negotiate multi-year agreements for 25% or 30% of cases throughout the department. We try to do so where it makes sense. We have clients who are regulars. Therefore, we know them and we know that they are able to provide their reports on time. From the perspective of risk assessment, it is in these kinds of cases that it is completely appropriate to negotiate such agreements, and we are attempting to do so more often. Furthermore, that also frees up departmental staff, who can then concentrate on other activities.

• (1125)

Mr. Pablo Rodriguez: Is it also a problem...

Mr. Sobrino, you wanted to say something.

Mr. Pablo Sobrino: I just wanted to add that last year, in 2008-2009, we increased the number of multi-year contributions by 10%. It was a pilot project. We did so for nine programs, including one for the arts and one for book publishing. We launched a program to increase the number of... It is currently underway.

Mr. Pablo Rodriguez: It was to increase the number of multi-year agreements.

In the case of organizations that you know well and with whom you have a long-standing relationship, could there be multi-year agreements or disbursements at the beginning of the year, or something of that nature?

Mr. Jean-Pierre Blais: Yes.

Mr. Pablo Rodriguez: It is possible?

Mr. Jean-Pierre Blais: Yes, that would be another way of doing things.

The 10% rate represents 2,200 departmental clients, who all benefited from this measure. That represents approximately one quarter of the clients of the department. This has a direct impact, because they will be able to do longer term planning. As you know, many of the department's programs have been renewed for five years. We needed that in order to be able to do multi-year planning ourselves. We need long-term renewals.

Mr. Pablo Rodriguez: In cases where organizations do not receive the funds in time or have problems because of that, it causes problems for you as well. You have goals in common. When the recipients have problems it undermines the department's goals.

Mr. Jean-Pierre Blais: Certain circumstances exist. I am thinking of the Music Entrepreneur Component. Based on their cash flow, we give them a certain amount of money at the beginning of the year, that is an advance on the contribution agreement, so that they can manage it. There was even one case where we gave them 90% of the amount that they had been granted. Later on, we analyze each case and provide the necessary compensation.

Mr. Pablo Rodriguez: When the money is coming in late, are these organizations given notice through a letter or are they

contacted in any other way? Perhaps you do so in some cases, but according to my information, you do not.

Mr. Jean-Pierre Blais: The service standards already mentioned, and that would be in effect as of April 1, 2010, will be extremely transparent. Program managers will know what their status is as far as service standards are concerned. We will be able to follow that. Sometimes the recipients believe that their application is complete and claim that they have sent the application but have heard nothing. Often, the applications are incomplete.

Mr. Pablo Rodriguez: You inform them that it is incomplete.

Mr. Jean-Pierre Blais: We tell them. We do...

[English]

The Chair: We have to move on. Thank you.

Madame Lavallée.

[Translation]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Do you have any statistics on delays for the various grants programs?

Mr. Jean-Pierre Blais: Some programs have standards. It is an organizational change. For the current year, we did some trials, for some programs, to see how this would work.

Mrs. Carole Lavallée: Do you have statistics?

Mr. Jean-Pierre Blais: The statistics we currently have are flawed. I was saying to your colleague that if someone sends in a signed application, but that is 40% to 60% incomplete, it is accounted for and the clock starts ticking. Our service standards will have to define the moment at which we consider the application to be complete. The statistics that are currently in our system... Things will change because we are changing our systems. At this point in time, as soon as someone tables an application, it is recorded in the system whether or not it is complete.

Mrs. Carole Lavallée: My colleague Mr. Roger Pomerleau and I travelled around the province of Quebec. We visited every corner of the province. We met with many cultural organizations that complained about the delays in receiving an answer. One organization—I can provide you with the name after the meeting if you wish—even told us the following story: they sent in an application in October 2008 and last spring, they were told that they would receive an answer in September 2009, whereas their event was to take place in August 2009. There is something wrong here, that's not normal.

I have other examples of organizations that received grants but found out about it on the very day of their event. I have names and dates of events. Everything I am telling you is documented. This situation is constantly recurring across the province of Quebec. This often affected the partnership fund but it also affected other grants programs. We are under the impression that that is how Canadian Heritage works. Organizations do not receive an answer in time. There is a certain cavalier attitude that I do not understand. You do not have statistics, which partly explains the situation. We wonder what concrete solutions might be available. We do not know the real reasons.

Is there a lack of staff or of funding? How much time does the minister's office take to sort through the projects? Is it an acceptable length of time? Is it getting longer? Is it possible to shorten it? These are all questions I would like you to answer. What are the real reasons?

• (1130)

Mr. Jean-Pierre Blais: Yes, I understand.

I was saying that the service standards have not yet been implemented across the board. On the other hand, we have a system that allows us to calculate the timeframes. It is not perfect, because it calculates from the moment the application is received, whether or not it is complete. Our new system will be better.

In the arts and culture sector, the departmental turnaround times are six or six and a half months on average, from the filing of the application until the end. That is the standard. For exceptional cases, I would prefer not—

Mrs. Carole Lavallée: You do not seem to understand that these are not exceptions. We heard the same comments everywhere in Quebec. I was a bit surprised to hear from my colleague Pablo Rodriguez that the situation is the same across Canada. The problem is so significant that the committee decided to study it. The fact is that this is a real problem. There are problems that are not real. Those are on another list. They must be sorted through and classified by priority. This is a glaring problem. Artists and cultural organizations are complaining a lot about this. We must consider the real reasons and find real solutions.

Mr. Jean-Pierre Blais: I agree with you entirely. The current economic situation results in the organizations being even more vulnerable. That is why we already have an action plan. Whether we are talking about grants or multi-year agreements, the goal is to implement more acceptable service standards.

For the person who is waiting for his or her contribution, answer or cheque, regardless, the time period may seem very long, I agree. As for the example you gave concerning a turnaround of over 12 months, according to our statistics that would happen in only 1% or 2% of cases, and it does happen that the delay is caused by the fact that the application was incomplete. Imagine the case of a cultural space or an infrastructure program. Sometimes these projects require technical soil testing to be carried out or that initial funding be contributed by another level of government. In some cases, the problem is not that we have not finished our work—

Mrs. Carole Lavallée: You are giving me cases that are understandable, but there are other cases.

[English]

The Chair: Your time's up.

[Translation]

Mrs. Carole Lavallée: In the case of partnership projects in the art sector, it is not only an issue of soil testing.

[English]

The Chair: Thank you.

I know you can probably get some of those answers, to the many questions that were asked, to Madame Lavallée as we go forward. You might even be able to in the next round.

Mr. Angus, please.

Mr. Charlie Angus: Thank you, Mr. Chair.

Thank you for coming today. It was an excellent presentation. I'm certainly encouraged by hearing about moving towards multi-year funding, because the issue of certainty is fundamental for any arts presenter.

My concern, though, if we're looking at an action plan, is that we have to find out where the bottlenecks are, and I'm not sure if I had that identified. I've heard a number of times that you say there are applications that weren't complete, maybe 40% or 60% of them. I could see that in a few cases, but when I'm dealing with arts presenters, they're pretty professional and know what they're doing, so I would wonder if that would be the main cause of it.

I'm looking at your grants and contributions management framework, with the legislation, the Federal Accountability Act that has to be checked off, the Financial Administration Act, the Auditor General Act, the whole policy of Treasury Board, risk management. So clearly there are a number of steps.

I don't see the minister's desk. How many projects would the minister review personally? How many of them would be grants and contributions? Does he see every one before it goes out? Is it a percentage? How does that work?

Mr. Pablo Sobrino: At the Department of Canadian Heritage, the minister of Canadian heritage or the minister of state in particular program areas see every grant contribution other than the two programs that are listed, which are the Canada Day and the athletes assistance program. So all 4,000-plus files go to the minister's office.

At every step in the process, we have due diligence requirements. At the program level, we're looking at issues of eligibility, clarifying the program, whether the applicant has met the eligibility requirements or not, whether they are meeting the program objectives. The program objectives are not necessarily only the ones in a particular region. You have to look across the country.

• (1135)

Mr. Charlie Angus: Okay. So we have 4,000-plus applications that are sitting on the minister's desk, and on any given day, the minister is travelling across Canada making announcements here, there, and everywhere. What obligation is he under to get these out in a timely manner?

When I'm speaking to people who are very close to these files, they say to me, "Everything works and then it gets to the minister's desk and it sits there".

What steps will you take to make sure he gets them checked and sent out?

Mr. Pablo Sobrino: The biggest process change that we're bringing in is around risk management. The idea is that right now we have almost 100% review of files to manage risk. So we're looking for documentation—

Mr. Charlie Angus: Sorry, what "risk" are you...or would the minister look at—political risk?

Mr. Pablo Sobrino: No, no, the minister also has that same due diligence requirement. The minister has the authority to sign. The minister is the one who's accountable for the programs.

Generally, the minister's office is looking at issues such as whether it is meeting program requirements, and whether we've dotted all the i's and crossed the t's in terms of managing risk.

The thing that slows us down most is the actual management of risk. That is one of the big pieces we're putting in place.

Mr. Charlie Angus: And it slows down at the minister's desk, where the 4,000 reports are sitting?

Mr. Pablo Sobrino: It's across the entire department. We have to manage risk by putting a system in place where we are able to separate the low-risk clients from the higher-risk clients. And by "risk" I mean is that client going to be able to deliver on the objectives of the program that's been set out by the government?

Mr. Charlie Angus: Again, I'm failing to see this. I could see a new government coming in and wanting to make sure it's not making any mistakes, but you're dealing with very professional presenters who you deal with every year. We have 4,000 applications sitting on the minister's desk, and you're looking at every one of them in terms of a risk threat. Again, I would think that most of the risk assessments would have been done before they get there.

I talked with presenters who said it took 10 months for approval. Most of the project was done. They were told that the delay was on the minister's desk.

That's not accountability, as far as I can see.

Mr. Jean-Pierre Blais: Mr. Angus, I have to dispute your picture of saying there are 4,000 files sitting on the minister's desk. That's just not true.

Mr. Charlie Angus: You said there were 4,000 files and he sees every one of them, and they're reviewed—

Mr. Jean-Pierre Blais: That's different from saying that they're sitting on his desk.

Mr. Charlie Angus: They could be in some briefcase.

Mr. Jean-Pierre Blais: There is a process. In our system, the minister is ultimately accountable. He has the authorities. It is absolutely legitimate for him, or through a system, or through his office, to put in place to look at certain issues. That is our system.

Mr. Charlie Angus: I know, but he also has to get them out in a timely manner.

Mr. Jean-Pierre Blais: Absolutely, but what I'd like you to understand is that I think it's unfair to say that all the problems in the system, which starts from a request at the beginning, all the way to the ultimate approval from the minister, all the delays, lie at one place, at one desk. They are throughout the system.

Mr. Charlie Angus: No, I brought it up because you didn't mention it in terms of the various strategies, and until we address it, we have a problem.

The Chair: Mr. Angus, your time has expired.

Mr. Bruinooge.

Mr. Rod Bruinooge (Winnipeg South, CPC): Thank you, Mr. Chair.

Thank you to the witnesses today for giving us some further information on a number of changes that are obviously going to make a significant difference for our important arts and cultural sector across the country.

One of the reasons that today's meeting is timely is that it gives department officials, yourselves, the opportunity to talk specifically about a number of changes you're putting in place. I'm glad to hear they're proceeding well.

I'm going to try to zone in on some of those changes.

First, though, I'd like to talk a bit about how PCH was initially selected to essentially be a vanguard agency, and also the process for becoming part of this specific identification and this blue ribbon panel, the results of that. Could you give us more specific items as to what the results were?

Maybe you could just start by talking about why PCH was identified.

• (1140)

Mr. Pablo Sobrino: Canadian Heritage was selected as one of the six vanguard departments, as they're called, because of the high volumes of grants and contributions and this diverse array of programs that we have.

As Jean-Pierre mentioned, from the small not-for-profit organizations to the large corporations in the cultural field, that diversity is one of the reasons they chose us. They also asked Indian Affairs, Transport Canada, Human Resources and Skills Development Canada, Agriculture and Agri-Food Canada, and I'm trying to remember the last one. Those six departments were chosen for that reason, and the reason they chose those departments was to look at the processes.

When the blue ribbon panel went across the country, they heard from many witnesses who had exactly the same issues that you've raised, which are the delays in processing grants and contributions, the difficulty that clients are experiencing in terms of reporting, the non-standard application process. So one organization may apply to three different kinds of programs with three completely different forms and totally different requirements.

The blue ribbon panel came out with a number of recommendations, and the recommendations were simply to communicate better, to get away from a risk-averse kind of culture in terms of the treatment of files, so that you are just managing the risks, and to simplify the processes.

It raised the issue about errors in applications, for instance. One of the projects we have under way right now is to be able to apply online for grants and contributions. I'll use an example. When you fill out your passport form now, the system checks to make sure your information is going in properly. Well, essentially, that same kind of service is what we want to provide our clients, so that when they input the information the first time, it's the right information. As well, for that client who has previously applied, we already have a lot of information, so it's to reuse that information and have it verified by the client in a future application.

So that's the front-end piece, which is to get all the information right. There's the service standard piece, which is to communicate to our client on how we're doing in terms of getting the process through. And in terms of risk management, it's asking the questions that you need to actually manage the risk, as opposed to just trying to go to a zero tolerance for the risk process.

That change in culture across all departments was really one of the things the blue ribbon panel was looking at.

Mr. Rod Bruinooge: Yes, that's a good change in the cultural view of the department, to move from the perception of guilty until proven innocent, which sometimes you can run into when you're faced with these applications. I think that's a great change.

Where do you think you are in terms of the implementation? Perhaps you're not in the implementation yet. Where in this process are you?

Based on some of the inquiries we've had from the opposition members on these topics, I think it's quite pertinent to understand just how far along the department is in making these internal changes to improve the system.

Mr. Pablo Sobrino: We've made quite a bit of progress. There are three significant steps. One of the things we had as a model department already was a grants and contributions centre of expertise. Essentially, all 37 and 48 subprograms can have one place to try to get consistent processing, a consistent approach to treatments of recommendations, consistent treatment of application of standards, those kinds of things. So that's the centre of expertise, and a number of other departments have now modelled themselves after that. So that's in place.

The next area of focus has been the risk management framework. We've developed a whole number of risk management tools for the department, from risk management at the corporate level right down to the individual file level.

Just a month and a half ago we had a large national training session for all our program officers—over 500 program officers—where we taught them on the use of the tool, which is the program risk accountability mechanism.

Mr. Rod Bruinooge: Do I have any more time?

The Chair: No, you have no more time.

Thank you.

Mr. Rodriguez, please.

[Translation]

Mr. Pablo Rodriguez: Thank you.

Are recipients consulted on ways to solve the problems? Can they suggest improvements, and participate in the discussion?

• (1145)

Mr. Jean-Pierre Blais: Yes. During the course of the program renewal cycles, we do broader consultations, but we can adjust the program's guidelines annually. We consult with recipients at that time.

Mr. Pablo Rodriguez: You do so through a questionnaire?

Mr. Jean-Pierre Blais: When the programs are delivered regionally, the recipients are obviously close by and we use our regional offices to see what they are thinking. On top of that, we have annual consultation mechanisms. In the book sector, for example, we invite publishers who benefit from the Book Publishing Industry Development Program in order to determine what adjustments need to be made. In fact, we have changed some of our practices in light of this.

Mr. Pablo Rodriguez: Could you please explain to us—I want to understand this correctly, so I'm going to go back a bit—the process of project approval? Is there a set date for all programs or do the dates change according to the different programs?

Mr. Jean-Pierre Blais: Every program and even every program component will have its own service standard.

Mr. Pablo Rodriguez: Is there any way to adapt the filing dates with a view to facilitating the transition with the budget? I understand the challenge you told me about earlier: the budget is tabled in February or March, and if the program is offered immediately following that, there is a problem. However, if there is a lot of time between the two, if everything has been analyzed and there is a deadline, people table their projects, everything is in place, it is conditional on the budget, and once it is passed, we can proceed. Would it not be possible to change the dates?

Mr. Jean-Pierre Blais: We recently renewed our programs in the book, music and arts policy sectors for five years. The problem we are dealing with is a historical one.

Yes, you are right, there might be other ways to proceed. Except that, to do what you propose would sometimes be complicated, because we would have to speak to Treasury Board, and change the terms and conditions.

However, I believe that as far as the future is concerned, as we have stable five-year funding for most of our arts and culture programs, we will be able to make the necessary adjustments. The transition problems are historic.

Mr. Pablo Rodriguez: What percentage of the programs are not covered by a five-year agreement?

Mr. Jean-Pierre Blais: The 2% that I mentioned correspond to applications that—

Mr. Pablo Rodriguez: No. My question is what percentage of programs are not covered by a five-year agreement, but by shorter-term, annually renewable agreements?

Mr. Pablo Sobrino: Very few programs are covered by five-year agreements. Normally, we aim for a two- or three-year duration, that is what we are trying to do. The problem affecting the five-year agreements is that the new terms and conditions of the programs are renewed for five years. When we are dealing with an application that comes under a program that has just been renewed, for which the terms and conditions may have changed, the applicant finds himself or herself with a one-year delay, because it takes almost a year, at least a few months, for an application.

Mr. Pablo Rodriguez: Can you give me a concrete example of the process followed in the case of a program: the date it is accepted, the timeframe for processing within the department, and then the communications process?

Mr. Jean-Pierre Blais: Perhaps I could ask one of my colleagues, Mr. Lemay.

I will give you an example. A few years ago, extra funding was allocated for festivals. It was a new program. There was therefore a decision made within the budget, and summer was coming. The first year, this took time. Mr. Lemay can explain to you how much we improved the process the following year, indeed because we did not have any time constraints.

Go ahead, Mr. Lemay.

Mr. Pablo Rodriguez: Could you give me a concrete example of that?

Mr. Michel Lemay (Director General, Citizen Participation Branch, Department of Canadian Heritage): Yes. There is the Building Communities Through Arts and Heritage Program, which was created to help small local festivals. A number of you know that program because events in your ridings benefit from its assistance. The program was announced in Budget 2007. The Canadian Heritage Minister at the time, Ms. Verner, officially announced the launch of the program in September 2007. We were already in negotiations with Treasury Board in order to obtain the terms and conditions and spending authorities, and we were immediately able to set an application deadline, i.e., January 2008, for events that were about to happen, during the same year for certain anniversaries, and thereafter as of April 1.

Generally, there is a development period when we consider our terms and conditions. And we have to plan the rollout of project assistance. In this case, we were aiming for 2008-2009, which was okay, as funding had already been provided for 2007-2008. We moved fairly quickly, with the authorizations being drawn up at the same time as the funding announcement was made.

We usually need a little more time. Earlier you talked about festival funding. A good number of festivals require a fair bit of time to prepare their events programming for the following summer, and that is why the department has application deadlines that correspond to their needs based on previous years.

• (1150)

Mr. Pablo Rodriguez: Does the minister ultimately have some leeway to impose his ideological views? Can he make decisions that are not based on facts, and refuse projects because they go against what he believes in?

Mr. Jean-Pierre Blais: I cannot comment on what the minister's thoughts are; I do not know.

Mr. Pablo Rodriguez: Does he have that kind of leeway?

Mr. Jean-Pierre Blais: He can make the decisions he wants, but he is ultimately responsible and accountable for his decisions. The process is subject to terms and conditions. The minister has some leeway with certain programs.

[English]

The Chair: We'll go to Mr. Pomerleau, please.

[Translation]

Mr. Roger Pomerleau (Drummond, BQ): Thank you for your presentation.

My question is for either of the witnesses.

One of the findings of the blue ribbon panel's study was that there were often significant delays in many of the programs. Ms. Lavallée also referred to that. During our tour throughout Quebec, the various groups that we met with all said the same thing. We specifically asked them the question because a number of them also received grants from the Quebec government, and we wanted to understand the reason for those delays. We asked them whether the same occurred at the provincial level, and they said that that was not the case. In Quebec, according to them, things seemed to be running smoothly. They were experiencing delays with the federal government.

According to our figures, there are 4,091 grants and contributions files on the desks of various ministers, including the Minister of Canadian Heritage, representing a rate of at least three or four to one. Are those files split evenly among grants and contributions?

Mr. Jean-Pierre Blais: That is difficult to say. The files that are more suitably processed according to the grant mechanism, owing to their level of risk, are often those with which other tools can be used. So the delegation goes into the structure.

A number of strategies can be used to speed up the process. We can improve communications with our clients with regard to their objectives. We can use online forms and the grant mechanism rather than the contribution process. There are other ways as well, such as the delegation of powers to more junior staff in the case of funding under \$3,000. That is quite normal in terms of risk assessment.

Mr. Pablo Sobrino: I don't have the exact figure, but the 2,200 applications that were awarded grants and were under multi-year agreements had all been approved by the minister or by the minister of state. It is good for them also to approve grants.

The 1,400 and 2,300 cases I mentioned are all grants because they represent minimal risk given the amount in question. It may also be that these were individuals who have proven they were high performing athletes.

Mr. Roger Pomerleau: In theory, given that these cases represent a minimal risk, they should be approved more quickly by the minister's office than others.

You analyze all the applications forwarded to you. When the minister receives the final document, what kind of analysis does he still have to do?

Mr. Jean-Pierre Blais: It is a comprehensive system. The minister is part of the chain of analysis. Because of political circumstances, it must be said that there have been changes in government and ministers. The ministers' offices take some time to understand how programs operate and to know what the expectations are. Political partisanship is not the reason for this. There are reasons why the application remains on the minister's desk for a while. The minister may ask us questions, there is a back and forth, we try to provide explanations.

As the minister gains knowledge and trust, the situation improves. That is perfectly normal. That is how our system works. We should hope that in time, we will reach optimum efficiency, which is not achievable when there are elections every year or ministers change every year and a half. I am not complaining about the political system, but that is the reality for people on the ground.

• (1155)

[English]

The Chair: Be very short.

[Translation]

Mr. Roger Pomerleau: Expert panels have made recommendations. Even though the minister has discretionary power, will he, to some extent, consider the recommendations, if only those having to do with what he himself will manage? Does he consider that? Because it must be said there are 4,091 of them compared to 1,400...

Mr. Jean-Pierre Blais: Perhaps you should ask this question directly of the minister.

Except that our service standards... We will discuss this with the minister. There is one system, and he will have to be part of the system. Otherwise, we will not accomplish what everyone wants of us. In other words to provide Canadians with a service that is accountable, for which there are checks and balances, without creating excessive delays.

[English]

The Chair: Okay, thank you.

Mr. Uppal, please.

Mr. Tim Uppal (Edmonton—Sherwood Park, CPC): Thank you, Mr. Chair.

Thank you for coming and helping us to clarify some of the current concerns that have arisen about grants and contributions, and the process itself.

In our document, it says that you take a little over six months for arts and cultural program grants, as an average. After 2010 and the changes you're proposing, where do we see this going? Can we see it below six months?

Mr. Jean-Pierre Blais: The challenge there is that the number of six and a half months is based on when the application enters the building. That's how the current system tracks it. A correct service standard mechanism might track that, but would more likely focus on when the application is complete. Therefore, we would be comparing apples and oranges otherwise.

There is a date within the 6.5 months, however, that includes the time when the application is complete. The idea is not to make the time longer, but to be more efficient. But I caution about comparing it with the 6.5 months, because that's just a number on how long it takes when the application is entered into the system; it's not a service standard. A service standard is something completely different.

Mr. Tim Uppal: Okay, but with a completed application—one that's been checked and completed, that type of thing—would the service standard itself be quicker under the new program in 2010?

Mr. Pablo Sobrino: We expect that things will accelerate because there will be less error if we can get the online applications. That will take more time to do than just 2010, but that's where we're going: to have that error-checking at the front end so the client sees it right away.

And the risk assessment tool is meant to accelerate the process of what the officer does, in terms of assessing risk, and automates it, to a certain extent. That will also accelerate the process. So we do expect to see improvement.

The move to multi-year agreements will be seen by individual clients as an improvement, and the use of grants, as well—which is what we're trying to increase—will decrease the reporting burden.

I can't give you an estimate of how many cases will be affected, but there are enough cases to make the following significant. If you haven't finished reporting what you've expended your resources on in the last year, we can't start giving you more money until you've reported on your results of the previous year. So that's a risk assessment piece.

Contribution agreements require a lot of reporting. Grant agreements do not require the reporting. So that's part of the move to lessen the burden. In fact, one of the biggest pieces of feedback to the blue ribbon panel—which, I just want to be clear, was government-wide and sponsored by the president of the Treasury Board—was the reporting burden that clients face, which slows everything down.

• (1200)

Mr. Tim Uppal: The motion that we have in front of us reads as follows:

The committee will study the causes and find practical solutions to the disbursement problem of the department.

There are changes coming in 2010. You also said that within about 12 months, you will assess the overall results and make any adjustments. Can you talk about that?

Personally, I feel it would be more prudent to see what the department's review looks like after you've made those changes, because there are changes coming and the department is going to look at them.

Could you tell me a little bit about what the department will be looking at?

Mr. Pablo Sobrino: The big starting point is April 1 of next year, which is when the new transfer payment policy will be fully implemented and we will have the service standards published. One year after that, we will have the results of how quickly we are able to provide service on each of our programs. So we'll have the data at that point to assess how much improvement.

The other thing is, just simply, that you manage what you measure. So if we start to consistently measure service standards, we start to manage to them, which will be an important piece.

In the past, as Jean-Pierre has mentioned, some programs have service standards and not all of them measure them the same way. We have to bring that all into line and that's what we have under way for April 1 this year.

So I would expect to see results around that on April 1, 2011.

Mr. Tim Uppal: Would you agree that it would be good for this committee to review those numbers at that time, once we have data and once there are numbers to look at?

Mr. Jean-Pierre Blais: We'd be most happy to explain it to you, because in a sense, when I was speaking earlier about communications being important, you're also communicating to people who benefit from our programs. We're more than happy to come back when those standards are published there, and we will be reporting on them. But it's not just one year later; managers will have systems in place to know exactly where they are. I will have access to information.

I'm sure you're getting lots of calls from time to time from beneficiaries. We get them too, and frankly, I'd rather not be managing those sorts of issues. I'd rather be improving the system, because it's important.

The Chair: Thank you.

This is the last round.

Mr. Simms, and then it will be the Conservative side, and then Mr. Angus goes last.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Thank you, Chair.

Thank you, gentlemen.

I had my own experience this past season. My hometown celebrated its hundred-year anniversary and they received money from Canadian Heritage as a result. Maybe it's beneficial to the committee or not, but what they did—which I would implore any group like that to do—is instead of just picking up the application to be filled out first, they actually visited the office of Canadian Heritage and they were walked through the process. And it was far and above a great exercise.

One of the issues, too, is that you're dealing with volunteer fatigue. That's why it's so important to have that application process so simplified. Now, I can't give you specific examples of how you're going to do that, because an application is an application. At some point it just has to be—for want of a better term—dumbed down. It's the only term I have, but I hate using it; it's not really an apt description, but you get the idea. It's plain-speak, and I think you touched on that a little while ago. You don't want to be in a position where you're doing a lot of that backfilling, we'll say, so I understand that.

Maybe you should have some kind of a committee to look at the application process, but in that committee have somebody from the volunteer sector to do that. It's very difficult.

You mentioned earlier about a pilot project. You have a couple of pilot projects that are ongoing or finished. At what stage are they? Can you give me an example?

Mr. Pablo Sobrino: I'll give you a couple of examples.

For instance, on the online application—although this is a program that is a little bit different—we have CAVCO, the Canadian Audio-Visual Certification Office, which has automated from start to finish the process for people to get certification so they can get a tax

credit for audio-visual productions. That's something that's taken us a year and a half to put in place. I believe it's in the final test phase and evaluation by clients as to whether it works. So that's in place and that was one pilot project.

We are now moving on to a couple of programs and trying to develop online systems for those programs. We also focused on...

I can give you the list of programs.

• (1205)

Mr. Scott Simms: No, that's fine. I just wanted the one quick example.

Mr. Jean-Pierre Blais: What's interesting is that when we go to mechanized ways of dealing with clients...and by the way, it's not to remove that personal contact. Some programs cost a little bit more to deliver because we have regional offices, but we want those regional offices because it's important to help those groups understand our system.

But once you move on an automated system in terms of your forms being online, what you realize is the first step is to reinvent your business processes. And we have, in the past—because we've always done it this way, which is not a reason—asked for too much information, information that we didn't really need or utilize. So when we exchange with the volunteer groups or whatever groups, even the for-profit sector, we are now more sensitive to asking for things that are useful for our application process and not just doing it because we've always done it that way.

Mr. Scott Simms: Thank you.

You mentioned the stimulus money. Can you also give me an example of how some of this extra money, in budgetary terms...? Obviously, we're talking about something that's in supplementary and is not part of the A-base budget. Is that correct?

I need one example—my time is running short—of what you're spending on right now.

Mr. Jean-Pierre Blais: The cultural spaces program was literally doubled in the economic action plan, from \$30 million to \$60 million.

Mr. Scott Simms: What is the process by which you decide that the cultural spaces program is the one to receive stimulus? Do you put it in the context of the economy?

Mr. Jean-Pierre Blais: That's a budget decision. It's in the budget. Frankly, it's quite remarkable how fast the whole public service was able to turn that around and go to Treasury Board.

Perhaps it was the urgency of the matter. A lot of the rules were simplified so that we could get it through. We're reporting on it constantly.

Mr. Scott Simms: Was it based on need or efficiency?

Mr. Jean-Pierre Blais: That was a political choice in the budget. They decided that cultural infrastructure was important for the economic stimulus of the country, and the program was doubled.

Mr. Scott Simms: The minister's office had input to do that.

Mr. Jean-Pierre Blais: The Minister of Finance stood up and announced the doubling of that.

Mr. Scott Simms: No, I realize that. What I'm talking about is the actual putting of money into programs: you know, "The Shovel's at the Door", "A Fistful of Shovels", the whole bit.

Mr. Jean-Pierre Blais: Well, across government everybody said that if we were going to have an impact with the economic plan, we had to get on with it. Speaking for our department, we did.

Mr. Pablo Sobrino: I was just going to say that the cultural spaces program is a program for which there is far more demand than we have resources. So we had lots of shovel-ready projects that we knew clients were ready to get at, and they also had partners.

Mr. Jean-Pierre Blais: It was an existing program. It's a little easier in those cases.

Mr. Scott Simms: That's what I'm trying to get at here. Was it a question of efficiency or a question of demand? You're saying that it was both.

Mr. Jean-Pierre Blais: Well, in that case, there was a need, because we know that the cultural infrastructure programs contribute directly to the economy and to economic activity, more broadly. So this was a good project for an economic stimulus package, but on top of that, we could do it quickly, because we had existing programs.

Mr. Scott Simms: Again, at the risk of repeating myself....

I apologize, Mr. Chair.

The Chair: Yes, you're a little over time.

Mr. Scott Simms: My life story, sir.

The Chair: There you go.

We'll go to Ms. Grewal, please.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Mr. Chair. I'll share my time with Mr. Del Mastro.

Ms. Lavallée explained that a group had applied in the fall and heard back in the spring. Perhaps the application was being judged on merit, or that's what I can see; sometimes things are in after the deadline.

Could you just explain the process?

Mr. Jean-Pierre Blais: I don't know the specifics of that particular case, so it's hard to comment on it.

I can tell you, though, that I don't want to be in a situation where somebody applies and.... If they're clearly not admissible, they need to know that quickly. If they're admissible, we need to treat it as quickly as we can while balancing the need for service to the clients with the appropriate stewardship of public money.

We can do better. I'm not promising that there won't be another 18-month wait or 14-month or whatever it is; I didn't do the actual calculation. I can't say that. But we will be working to eliminate and reduce those as much as possible.

The Chair: We'll go to Mr. Gourde, please.

[*Translation*]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you very much, Mr. Chairman.

Let's look at the steps in processing funding requests for programs, from non-profit organizations organizing festivals, etc. After having filled out the application form, the organization sends it in. Then, the program officer receives it and forwards an acknowledgement of receipt.

However, time elapses between the acknowledgement of receipt and the final response, be it positive or negative. When it is positive, it usually doesn't cause a problem. When it is negative, people often ask us why they did not make it through the process, because no one called them to tell them what part of their application was problematic.

When the officer receives the application, if he finds something wrong, does he automatically communicate with the organization? Or does he set the form aside to consider the other applications and perhaps decide to make phone calls after the fact? Or, does he call people further on in the process?

Let's assume that an officer denies an organization's request. The organization may only receive the denial a month before the event is to be held. While they are waiting for a response, heads of organizations wonder whether or not they will be receiving the funding. Why, if there is a refusal, would that information not be communicated more quickly? In that way, people could try to strike some kind of balance or plan their programming based on a knowledge that the funding had been denied.

• (1210)

Mr. Jean-Pierre Blais: With regard to program delivery as a whole, program officers do not set aside and shelve applications because of a missing document; they try to obtain the information. As my colleague said earlier, by further computerizing the exchange of information, we will be in a better position to immediately identify the missing elements of an application. It is a bit like when you file your tax return online or apply for a passport. There are ways of computerizing that exchange.

On the ground, whether it be in our regional offices or here, when the programs are delivered from our offices in Gatineau, there is a constant exchange of information with our clients.

Mr. Jacques Gourde: In the acknowledgement of receipt, it could be stated that the application has been received, that it is compliant, that it meets the program requirements, and that it is making its way through the process.

Would you not agree?

Mr. Jean-Pierre Blais: It is not always possible to state, at that early stage of the process, that an application meets the requirements, and that goes for all programs.

Earlier I gave the example of the Canada Book Fund. The funding of that program is based on previous year sales. Therefore, we can inform some applicants that they have provided us with all the information needed to do the calculations, but they will not receive an answer until everyone's information has been inputted into the calculation and we have applied the formula to the overall amount.

Mr. Jacques Gourde: Organizations are often asked for the current year's financial statements. This year, with some programs, people had to get their 2010 applications in by September 2009, even though bank statements would only be available in January or February 2010, and they also had to provide statements for the previous year. The process therefore covers a three-year period.

Mr. Jean-Pierre Blais: With a number of programs, we stopped asking for audited financial statements because that represented an excessive burden, given the amount of the grant and contribution. We settled that problem by eliminating that requirement.

That is why I said earlier that we were reviewing our corporate processes. That goes well beyond making sure that... We will not continue to require the same load of paperwork; we will reduce it in order to increase program effectiveness. In order to do so, we will have to conduct a risk assessment looking at how to properly manage public funds and provide clients with an acceptable level of service.

[English]

The Chair: Thank you.

Mr. Angus, last questions, please.

Mr. Charlie Angus: Thank you.

I've met many of the heritage department staff who are out in the field. You hire people who really know their files. They are very professional. They know their portfolio very well. I meet many of the arts presenters. They are very professional. They wouldn't be in business if they weren't. As someone who's played most of the music festivals across the country, I can say that being lackadaisical about details will put you out of business very quickly, and you'll never work with people again.

I'm trying to understand—between the professionalism that you have on your staff and what we see with the presenters—the huge delays that happened. It happened after a change of government; Bev Oda came in. Now, there is going to be prioritizing of priorities, but now we're four or five years into this nightmare with the Conservatives, and we're still seeing the backups.

Mr. Blais, you were saying that part of the problem with the minister is that he has to get up to speed, the minister's staff don't know the files, there is a need for them to be more knowledgeable and more efficient. It seems to me that the problem here is that you can set up all the action plans you want, but God help us if there's a cabinet shuffle. Do we then go back to square one on this?

Mr. Jean-Pierre Blais: No, because it's our role as public servants to plan for those eventualities as well—which are more and more often these days—and to make sure we have systems in place that are more efficient.

You won't hear me put this blame in the office of the minister. Until we've done our job as public servants, that's not fair. That's not right. And we can do better.

• (1215)

Mr. Charlie Angus: I'm dealing with presenters, a person is writing to me. It took ten months for their turnaround. That was one of many. Most of their shows had already been presented and they had to take out loans to cover them off. They said that for them, the

situation is inexcusable, that if they had operated their business like this, their doors would have closed long ago.

So they're obviously laying questions about credibility here.

On October 19 I received a message from a U.S. buyer who was supposed to come to Canada to sign up a number of Canadian acts. He said he gave up, that he had been sending the same information again and again, that his role with artists' managers was such that he believed that when things are messed up at the beginning, they are going to continue to be messed up. So he decided not to participate. He said it seemed clear that Heritage doesn't see the benefit of engaging with the buyers.

This was one of apparently a number of U.S. buyers who just walked because they were tired of trying to get through the process.

You have an action plan, but you guys have been doing this for years. What's going on? The credible buyers are walking away from buying Canadian talent because they just can't get through the process.

I'm not seeing here how that's going to be addressed. It seems there is a more fundamental problem.

Mr. Jean-Pierre Blais: I don't know the specifics of that particular case, but perhaps we can speak about it offline so we can follow up.

There were controversial events a few years back that have profoundly affected the willingness of officials, of program officers at all levels, in regard to taking risks. The due diligence became undue, and the blue ribbon panel was set up precisely to tell people that the.... And when I talk of risk, I'm not talking about dishonesty. I'm talking about how there is a proper risk to make mistakes in good faith and we should be accepting that in the process.

We are in a considerably important cultural change, not just in the department but across government, in embracing change with respect to risk taking. We're in the middle of it. We will do better. As I said earlier, I don't think I can promise that in every case there won't be...but we will do better because the leaders of the public service have said, "We have to do better to support our teams and our staff to embrace that risk". That's all I can tell you.

Mr. Charlie Angus: Thank you very much.

The Chair: Thank you.

Mr. Del Mastro.

Mr. Dean Del Mastro (Peterborough, CPC): Thanks very much, Mr. Chair.

If there's time, I just have a brief intervention for the witnesses.

The Chair: Make it very brief, please.

Mr. Dean Del Mastro: Thank you.

First of all, there's a current song, a popular song that Mr. Angus may have heard: whether it's "a sweet dream or a beautiful nightmare", either way, I don't care.

Voices: Oh, oh!

Mr. Dean Del Mastro: To the witnesses, I just want some clarification. Providing somebody gets in an application in October, say, for an approval that they're hoping for in March, that's not necessarily a fair way to determine how Canadian Heritage is doing their job. Aren't you waiting based on receiving the total number of applications on a project before you begin to make approvals?

As such, it may not make their deadline. You're actually working toward receiving all of the applications on the file before you can really determine how much you're going to award to any project. Isn't that how you do it?

Mr. Jean-Pierre Blais: That occurs in many instances. I'll give the example of the endowment project. We have a set amount of money that we will match at the same percentage to everybody who's managed to get private sector funding, but you have to find out what the total amount is before you can apply that.

Once you have all the files, it's actually quite easy to do the analysis, but you're right, there are many programs. There are publication programs and others, and when you have a certain amount of money available, you have to make choices. You can't give to everybody. There are just not the funds available, and some projects have less merit. So you do have to batch them. However, we try to batch them in line with the business cycles.

Mr. Dean Del Mastro: Just in—

The Chair: Make it very short, Mr. Del Mastro, because I might have to let someone else have some say too.

Mr. Dean Del Mastro: That's fine. I appreciate that and I appreciate the indulgence of the committee, Mr. Chair.

In the case of groups that you have a fair amount of experience with and so forth, it has become the practice, under the blue ribbon panel suggestions, where you move quite quickly in those cases, but you do undertake due diligence because you are overseeing taxpayers' dollars in other files. That's just being responsible, is it not?

• (1220)

Mr. Jean-Pierre Blais: It's a risk management approach whereby you're trying to balance it, depending on the facts on any given case and the track records of players. Even if you did decide to go multi-year with somebody if you've dealt with them year after year, every day we're balancing risk analysis and proper stewardship with service to clients. We're trying to have a mature risk analysis system in place in the department.

Mr. Dean Del Mastro: Thank you.

The Chair: Thank you very much.

I thank our witnesses very much for their presentation today and for answering the questions so candidly.

The meeting is adjourned.

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