2006-07 Departmental Performance Report

Canadian Heritage

For the period ending March 31, 2007

The Honourable Josée Verner, P.C., M.P.
Minister of Canadian Heritage, Status of Women
and Official Languages

Canada

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Section 1

DEPARTMENTAL OVERVIEW

Ministers' Messages

Minister of Canadian Heritage,
Status of Women and Official Languages

Ministre du Patrimoine canadien,
de la Condition féminine et des langues officielles

Ottawa, Canada K1A 0M5

Our heritage and our culture represent both a precious treasure and a tremendous asset. Canadians understand the importance of highlighting this collective heritage and believe their government should make concrete and effective contributions to our society's cultural vitality. The Department of Canadian Heritage and its Portfolio Agencies work together to achieve this goal through their policies and programs.

The 2006-07 *Departmental Performance Report for Canadian Heritage* outlines the achievements that we have made in the areas of the arts and culture, official languages, sport, multiculturalism, and the participation of Canadians in the life of their community. It demonstrates the role that the Department plays in shaping our identity as Canadians and strengthening our sense of belonging.

As Minister, I am pleased to participate in achieving the goals of Canadian Heritage and of the Government of Canada. It is with pride that I take my new responsibilities in this regard.

Over the last fiscal year, the Government announced an additional $50 million in funding over two years for the Canada Council for the Arts. Along with Treasury Board, we announced nearly $100 million over five years to meet urgent infrastructure needs for five national cultural institutions: the Canada Science and Technology Museum, the Canadian Museum of Civilization, the Canadian Museum of Nature, the National Arts Centre, and the National Gallery of Canada – all part of the Canadian Heritage Portfolio.

On the cultural scene, we enthusiastically welcomed the entering into force of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. This represents a crucial step towards encouraging the development of artistic and cultural industries in our country and throughout the world.

In June 2006, Prime Minister Stephen Harper offered a full apology, on behalf of all Canadians and the Government of Canada, to Chinese Canadians who were required to pay a head tax. The Government followed this up with symbolic *ex-gratia* payments to surviving head-tax payers and conjugal partners of now-deceased payers.

The Department also provided $24 million for the Community Historical Recognition Program and $10 million for the National Historical Recognition Program. These programs will help all Canadians learn about the discrimination and hardship faced by various communities affected by wartime measures and/or immigration restrictions and the significance of these experiences for the communities in question.

In the area of sport, Canadian Heritage proudly re-launched the ParticipACTION program, in order to promote sport and physical activity among Canadians and to encourage them to adopt a healthy and active lifestyle. We also applauded the entry into force of UNESCO's International Convention Against Doping in Sport. Canada is recognized around the world as a leader in promoting fair, ethical, and drug-free sport. The entry into force of the Convention strengthens our role in this area and our reputation as a sport nation at a time when we are preparing to welcome the Olympic and Paralympic Winter Games in Vancouver-Whistler, in 2010.

The Government has continued to promote English and French in Canadian society and to encourage the development of French and English minority-language communities. The Department concluded education agreements with each province and territory, which total more than a billion dollars over four years. We also signed important agreements about providing services for English and French minority official-language communities, which represent close to $64 million over four years. And the Department supported the expansion and construction of school-community centres, to ensure that young Canadians can succeed in life in their own language, in their own region.

In addition, the Official Languages Secretariat continued to coordinate the efforts of some 200 federal institutions to make sure that linguistic duality is an integral part of the decision-making process and the development of policies and programs.

Finally, I am pleased to take part in preparing for celebrations to commemorate an event that means a great deal to me: the 400th anniversary of the founding of Québec City, in 2008 to ensure that all Canadians will be able to fully participate in celebrations of this historic event for all of Canada and North America. The Government of Canada is a proud partner in organizing these celebrations, which remind us of the importance of French as a founding language of Canada.

As Minister of Canadian Heritage, Status of Women and Official Languages and together with the Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, the Secretary of State (Sport), and the Secretary of State (Multiculturalism and Canadian Identity), I am delighted with the achievements of the Department of Canadian Heritage over the last fiscal year. I invite you to read this report, as I enthusiastically prepare to begin the work of ensuring that the Department and its Portfolio Agencies continue to fulfill their mandate in the coming year, for the benefit of all Canadians.

Josée Verner

Message from the Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics

Excitement is building and preparations are well underway for Canada to host the 2010 Olympic and Paralympic Winter Games.

The Government of Canada continues with the implementation of the Multiparty Agreement it signed with the Government of British Columbia, the City of Vancouver, the Resort Municipality of Whistler, the Vancouver Organizing Committee (VANOC), the Canadian Olympic Committee, and the Canadian Paralympic Committee.

Our Government takes seriously its role in this event, and we have committed $552 million to ensure the successful delivery of the 2010 Olympic and Paralympic Winter Games. This includes funding for sport and event venues; federal essential services such as health and immigration, as well as border and meteorological services; the creation of a Legacy Endowment Fund that will provide operational funding for specific 2010 Winter Games sporting venues that Canadians will continue to use beyond 2010; horizontal management, such as communications activities; support to the Four Host First Nations Society, and environmental assessments; the Live Sites Program (Olympic and Paralympic viewing venues located in Vancouver and Whistler that will allow residents and visitors to share in the excitement of the Games experience); and the operating costs of the Paralympic Winter Games.

As Minister of International Trade and Minister for the Pacific Gateway and the Vancouver–Whistler Olympics, I am very pleased to provide Canadians with a report of the work carried out during the 2006-07 fiscal year to ensure that the 2010 Olympic and Paralympic Winter Games in Vancouver-Whistler will be a huge success.

David Emerson

Management Representation Statement

I submit for tabling in Parliament, the *2006-07 Departmental Performance Report* for the Department of Canadian Heritage.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-07 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;

- It is based on the Department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board Secretariat;

- It presents consistent, comprehensive, balanced and reliable information;

- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and

- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

_____   _____
Judith A. LaRocque   **Date**
Deputy Minister

Summary of Human Resources and Financial Resources

Departmental Spending, 2006-07		
Financial Resources ($ millions)		
Planned Spending	**Authorities**	**Actual Spending**
1,472.0	1,459.0	1,403.4
Human Resources (in Full-Time Equivalents)		
Planned	**Actual**	**Difference**
2 511	2 376	135

Note: Detailed information regarding these numbers appears in Financial Table 1, in section 3.

This symbol of a computer mouse indicates that more detailed information is available at the following Web Site. Click on the underlined text for quick access.

Context

Raison d'être

Canadian Heritage seeks to contribute to a cohesive and creative Canada in which all Canadians have opportunities to participate in Canada's cultural and civic life. In accordance with this mission, Canadian Heritage is responsible for policies and programs involving the arts, culture, heritage, broadcasting, Canadian identity, multiculturalism, official languages, sport and initiatives involving Aboriginal people and youth. The Department's main activities therefore involve funding external organizations and individuals promoting the benefits of culture, heritage and sport. The Department is also responsible for cultural policy making and strategies for the Government of Canada and Canadians.

In order to achieve its mission, Canadian Heritage has developed a strategic framework with two outcomes:

- **Canadians express and share their diverse cultural experiences with each other and the world:** The Department helps to ensure that Canadians can express their creativity, showcase their talents and share their stories and experiences through the arts, heritage institutions, cultural industries and sport activities. To achieve this outcome, the Department carries out policies and programs that support the environment needed to strengthen and share – both home and abroad – Canada's values and its diverse voices.

- **Canadians live in an inclusive society built on inter-cultural understanding and citizen participation:** The Department's activities focus on inclusion and participation in Canadian life while reinforcing core values and shared citizenship. The Department also works to connect Canadians across their differences through inter-cultural exchange, helping to reduce the tensions that could otherwise divide us and to respond to both the challenges and opportunities of an increasingly diverse society. When Canadians come together in acceptance of their differences, cultural expression becomes richer in quality and quantity, new audiences can be reached, institutions can be more responsive and sustainable, and opportunities for excellence in all cultural spheres are maximized.

These outcomes contribute to the broader Government of Canada efforts to support the quality of life of its citizens by strengthening the social fabric and by reflecting and reinforcing values that are important to Canadians. Canada's social and economic prosperity is directly influenced by the vitality of its communities and the participation of its citizens.

The Department's two strategic outcomes are therefore aligned with the Government of Canada outcomes as identified in the whole of government framework, as illustrated below:

Alignment to Government of Canada Outcome Areas
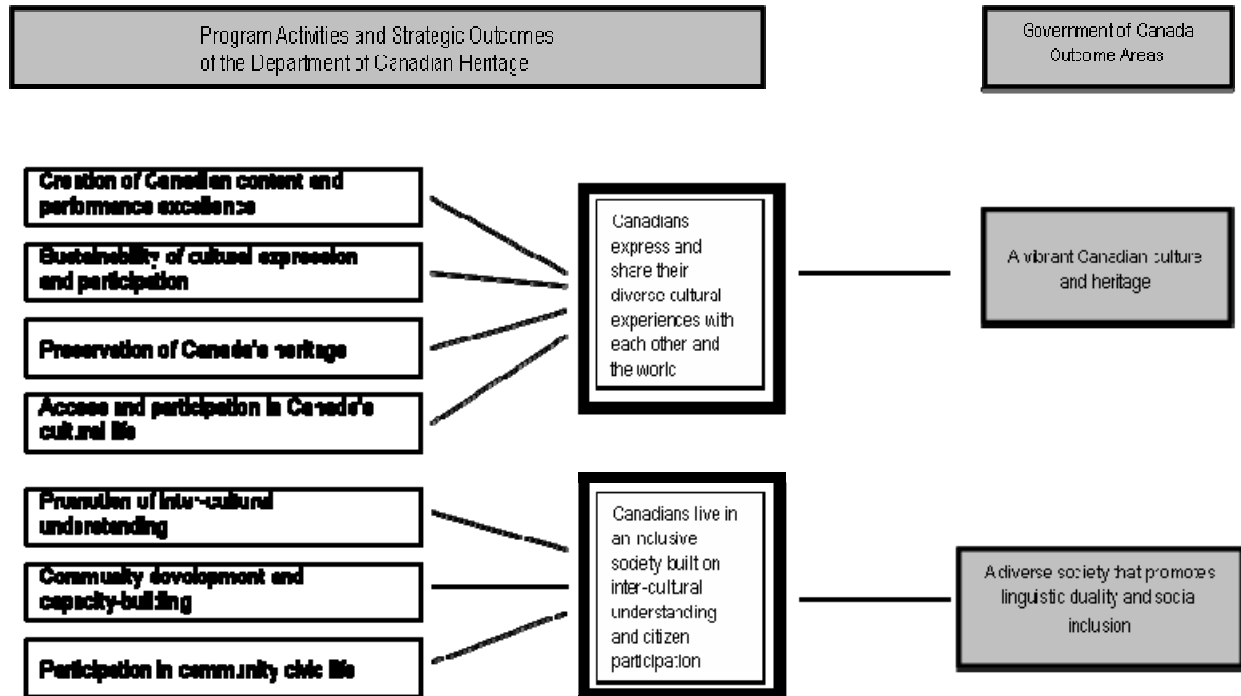
To achieve the Departmental outcomes and support the government-wide outcomes, the Department carries out many activities which are outlined in its Program Activity Architecture (PAA). This is the structure through which the Department reports on its achievements to Parliament, and is therefore the structure for this report.

The *2006-07 Departmental Performance Report* outlines the Department's performance against these outcomes and more specifically, the priorities set out in the *2006-07 Report on Plans and Priorities*.

Mandate, Roles and Responsibilities

Canadian Heritage is responsible for the Government of Canada's role with respect to arts, culture, sport, heritage and citizen participation.

The *Department of Canadian Heritage Act* clearly sets out the Department's role and responsibilities with respect to "Canadian identity and values, cultural development and heritage." These responsibilities explicitly include:

- the promotion of a greater understanding of human rights, fundamental freedoms and related values;
- multiculturalism;
- the arts, including cultural aspects of the status of the artist;
- cultural heritage and industries, including performing arts, visual and audio-visual arts, publishing, sound recording, film, video and literature;
- the encouragement, promotion and development of sport;
- the advancement of the equality of status and use of English and French and the enhancement and development of the English and French linguistic minority communities in Canada;
- state ceremonial and Canadian symbols;
- broadcasting, except in respect of spectrum management and the technical aspects of broadcasting;
- the formulation of cultural policy, including the formulation of cultural policy as it relates to foreign investment and copyright;
- the conservation, exportation and importation of cultural property; and
- national museums, archives and libraries.

Other statutes, listed at the end of this report, also fall under the Department's responsibility.

In 2006-07, the Minister of Canadian Heritage and Status of Women was responsible before Parliament for the Department. The Minister was assisted by the Minister of International Cooperation and Minister for La Francophonie and Official Languages and by the Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics.

In January 2007, two Secretaries of State were appointed: one for Sport and one for Multiculturalism and Canadian Identity.

Canadian Heritage Portfolio

The Canadian Heritage Portfolio plays a central role in supporting cultural and civic activities in Canada. It is made up of the Department and 19 other organizations – agencies, Crown corporations, and a Board – that operate in the areas of audio-visual, heritage, arts, human rights, and public service.

Audio-visual

The Canadian Broadcasting Corporation, Canada's national public broadcaster, creates and delivers programming and information through a comprehensive range of media.

The Canadian Radio-Television and Telecommunications Commission regulates and supervises all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy set out in the *Broadcasting Act*.

The [National Film Board](#) produces and distributes audiovisual works that provide a uniquely Canadian perspective, including diverse cultural and regional perspectives, recognized across Canada and around the world.

[Telefilm Canada](#) is dedicated to the development and promotion of Canada's audiovisual industry. Telefilm finances original, diverse and high quality films, television programs and new media products, which reflect Canada's linguistic duality, cultural diversity, and regional character.

Heritage

[Library and Archives Canada](#) preserves the documentary heritage of Canada for the benefit of present and future generations. It is a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada. It facilitates cooperation in the Canadian knowledge community, and serves as the continuing memory of the Government of Canada and its institutions.

The [Canada Science and Technology Museum Corporation](#) fosters scientific and technological literacy throughout Canada with its collection of scientific and technological objects. The Corporation oversees the operation of the Canada Science and Technology Museum, the Canada Aviation Museum and the Canada Agriculture Museum.

The [Canadian Museum of Nature](#) increases interest in, knowledge of, and appreciation and respect for the natural world with its collection of natural history objects.

The [Canadian Museum of Civilization Corporation](#) increases knowledge and critical understanding of, and appreciation and respect for, human cultural achievements and human behaviour with its collection of objects of historical or cultural interest. The Canadian War Museum is an affiliated museum.

The [National Gallery of Canada](#) furthers knowledge, understanding and enjoyment of art for Canadians with its collection of art. The Canadian Museum of Contemporary Photography is an affiliated museum.

The [National Battlefields Commission](#) preserves and develops the historic and urban parks of the National Battlefields Park in Quebec City and in the surrounding area, including the Plains of Abraham and Des Braves Park.

The [Canadian Cultural Property Export Review Board](#) determines whether cultural property is of "outstanding significance and national importance" pursuant to the *Cultural Property Export and Import Act*.

Arts

The [Canada Council for the Arts](#) fosters the development of the arts in Canada by providing artists and professional arts organizations in Canada with a broad range of grants through peer evaluation committees.

The [National Arts Centre](#) has become Canada's pre-eminent performing arts centre. It creates, showcases and celebrates excellence in the performing arts, and strives to symbolize artistic quality, innovation and creativity for all Canadians.

Human Rights

[Status of Women Canada](#) is the federal government agency that promotes the full participation of women in the economic, social, cultural and political life of the country. It develops strategic government policy advice and partnerships, and provides financial assistance for projects that create concrete outcomes for women.

The [Canadian Race Relations Foundation](#) is committed to building a national framework for the fight against racism in Canadian society. It sheds light on the causes and manifestations of racism; provides independent, outspoken national leadership; and acts as a resource and facilitator in the pursuit of equity, fairness and social justice.

Public Service

The [Public Service Commission](#) is responsible for safeguarding the values of a professional Public Service: competence, non-partisanship and representativeness. It does this in the public interest as part of Canada's governance system.

The [Public Service Labour Relations Board](#) is an independent, quasi-judicial statutory tribunal responsible for administering the collective bargaining and grievance adjudication system in the federal Public Service and Parliament as well as providing mediation and conciliation services to help parties resolve differences without resorting to a formal hearing.

The [Public Service Staffing Tribunal](#) is an independent and quasi-judicial body which conducts hearings and provides mediation services in order to resolve complaints related to internal appointments and lay-offs in the federal public service.

The Public Servants Disclosure Protection Tribunal is a new Tribunal responsible for reviewing complaints referred by the Public Sector Integrity Commissioner.

While these agencies are outside the Department's direct governance structure, the Minister of Canadian Heritage is responsible for ensuring that the Portfolio agencies and Crown corporations support Government of Canada priorities. The Portfolio agencies produce their own performance reports, except for the Crown corporations, which prepare annual reports, summaries of which are tabled in Parliament in accordance with the reporting obligations set out in the applicable enabling legislation.

Operating Environment

In order to enhance the quality of life of Canadians, Canadian Heritage encourages access and participation in our country's cultural life. The Department delivers over 60 programs, nine of which are delivered in conjunction with the regions based on client needs. These programs allow Canadians to share their cultural experiences among themselves and with the world, as well as live within an inclusive society, based on understanding between different cultures.

The Department provides financial assistance to various organizations through grants and contributions. This funding is provided directly or indirectly to institutions, community organizations, not-for-profit organizations, other levels of government, etc. Transfer payments are the most heavily used type of government program administered by the Department. As in all federal government departments, these programs are managed in accordance with a legislative and strategic framework that encompasses the *Financial Administration Act*, the *Official Languages Act* and selected Treasury Board Secretariat policies: the Policy on Transfer Payments, the Policy on Payables at Year-End and the Official Languages Policy Framework.

The Department has established a Grants and Contributions Management Policy, in accordance with Treasury Board Secretariat policies, which is founded on the following three principles: sound justification, reasonable analysis, and accountability. In the case of contributions, the administrative entity that receives the contribution is also subject to reporting and audit requirements as stipulated in the signed agreement.

Canadian Heritage also delivers programs and services other than transfer payments, such as those provided by the Canadian Heritage Information Network (CHIN), the Canadian Audio-Visual Certification Office (CAVCO), and the Canadian Conservation Institute (CCI).

In addition to delivering programs, the Department plays an important role in developing and implementing policy options, program design and advice to the Minister. This helps ensure that the policies and programs of the Department are relevant to Canadians.

Role of the Regions

In addition to its headquarters in Gatineau, Quebec, the Department connects with Canadians through five regional offices and 22 points of service across Canada, as well as through its Web site. These offices serve a wide range of client organizations at the community-level by managing certain grants and contributions programs.

In 2006-07, grants and contributions represented almost 83.8 % of total departmental spending. The total budget spent for grants and contributions was approximately $1.15B while the total departmental spending was $1.372B (see Financial Tables in Section III). In 2006-07, 64 % of files were processed in the Regions while 33 % were processed at Headquarters. The Regions play a particularly significant role as indicated in the following table.

**Grant and Contributions Programs and Components of
Programs Delivered Mostly in Regions**

Areas	Grant and Contributions Programs and Components of Programs Delivered Mostly in Regions	G & Cs % of Files Processed Regionally
Official Languages	Development of Official Languages Communities Enhancement of Official Languages	62%
Heritage	Museums Assistance Program Canadian Arts and Heritage Sustainability Program (Heritage)	94%
Multiculturalism and Human Rights	Multiculturalism Program	90%
Aboriginal Affairs	Aboriginal Women Urban Multipurpose Aboriginal Youth Centres	62%
Arts	Cultural Spaces Canada Arts Presentation Canada Canadian Arts and Heritage Sustainability Program (Arts)	91%
Major Events and Celebrations	Celebrate Canada!	99%

While the management and delivery of these grants and contributions programs forms the core of regional work, regional employees provide many more services in three key responsibility areas:

1) <u>Outreach and Communications:</u> Regions provide support for departmental consultations and for ministers' visits in the regions. They also plan and coordinate communications activities for major events and thematic days such as Canada Games, local Canada Day events and activities for March 21 Anti-Racism Day. In addition, regional officers are responsible for outreach to new clients and stakeholders.

2) <u>Strategic Analysis and Advice:</u> Regions provide the Department with a continuous environmental scan of local context and regular briefings are provided on emerging issues and local perspectives. This type of information is a critical regional contribution to the development of departmental policy and programs. Regions bring on-the-ground knowledge and serve as a test of local relevance in the process of program and policy design and also participate in regular evaluations of programs.

3) <u>Building Partnerships:</u> Regions manage partnerships and work horizontally with other federal departments, other levels of government and public institutions to achieve common objectives and strengthen the impact of activities. Regions track and identify

emerging federal/provincial/territorial issues and help ensure that the Department understands the directions, policies and programs of other levels of government. Regional Executive Directors represent the Department of Canadian Heritage on 13 Regional Federal Councils across the country. The Councils are composed of senior officials of federal departments and agencies in each province and territory. As well, regional managers and staff are involved in the work of Council Sub-Committees on a wide range of management and policy issues. Councils serve as a forum for information exchange, and are a valuable vehicle for regional management of horizontal policy issues, collaborative initiatives across departments, integrated and improved service delivery, two-way communication with the central agencies on regional perspectives, and cooperation with other jurisdictions.

Drawing together the information gleaned from all of these areas of work, regional offices help the Department to ensure that its programs and services are effective and locally relevant, that its policies respond to the needs and concerns of Canadians and that communication's efforts are well targeted and our ministers well-supported.

Governance Structure

Organizational Structure

The Minister of Canadian Heritage and Status of Women is responsible before Parliament for the Department. As mentioned previously, the Minister is assisted by other Ministers and Secretaries of State who have responsibilities related to the mandate of the Department of Canadian Heritage. The Deputy Minister of Canadian Heritage supports the ministers in the Department's overall orientation. The Deputy Minister and Associate Deputy Minister are jointly responsible for achieving the Department's strategic outcomes.

Organizational Structure of the Department of Canadian Heritage, 2006-07

Minister of International Co-operation and Minister for La Francophonie and Official Languages	Minister of Canadian Heritage and Status of Women	Minister of International Trade and Minister for the Pacific Gateway and the Vancouver–Whistler Olympics

Secretary of State (Foreign Affairs and International Trade) (Sport)	Secretary of State (Multiculturalism and Canadian Identity)

Deputy Minister / Associate Deputy Minister

Human Resources and Workplace Management	Corporate Secretary
Portfolio Affairs	Legal Services
Ombudsman	Executive Assistant to Deputy Minister

ADM Cultural Affairs	ADM Citizenship and Heritage	ADM International and Intergovernmental Affairs and Sport	ADM Public Affairs and Communications	ADM Planning and Corporate Affairs

Within the Department, five core functions report to the Deputy Minister:

- **Human Resources and Workplace Management,** which provides critical infrastructure to the entire department;

- **The Corporate Secretariat,** which coordinates parliamentary and Cabinet activities and the activities of the two Secretaries of State;

- **Portfolio Affairs,** which coordinates policy development, planning, report production, governance and communications involving the Canadian Heritage Portfolio agencies;

- **Legal Services,** which are the principal source of legal services and advice for the Department; and

- **The Ombudsman,** which provides confidential, informal and impartial assistance to all departmental employees.

Below the level of Deputy Minister and Associate Deputy Minister, the Department of Canadian Heritage includes five assistant deputy ministers (ADMs), each responsible for sectors that develop and implement policies, programs and initiatives aimed at achieving the department's strategic outcomes which in turn contribute to Government of Canada strategic outcomes.

The Department's five sectors are:

- Cultural Affairs;
- International and Intergovernmental Affairs and Sport;
- Public Affairs and Communications;
- Citizenship and Heritage; and
- Planning and Corporate Affairs.

(It should be noted that in 2007, Public Affairs and Communications became Public and Regional Affairs. This sector and the Communications Branch now report directly to the Deputy Minister. Also as of 2007, the Corporate Review Branch reports directly to the Deputy Minister, in accordance with the new Internal Audit Policy.)

Governance Model

Over the past year, major changes have been made to the Department's governance structure. In part they spring from the *Federal Accountability Act*, passed in December 2006, and are designed to strengthen accountability and management of the department. The Department's internal governance structure now consists of three levels.

Department of Canadian Heritage Governance Model, 2006-07
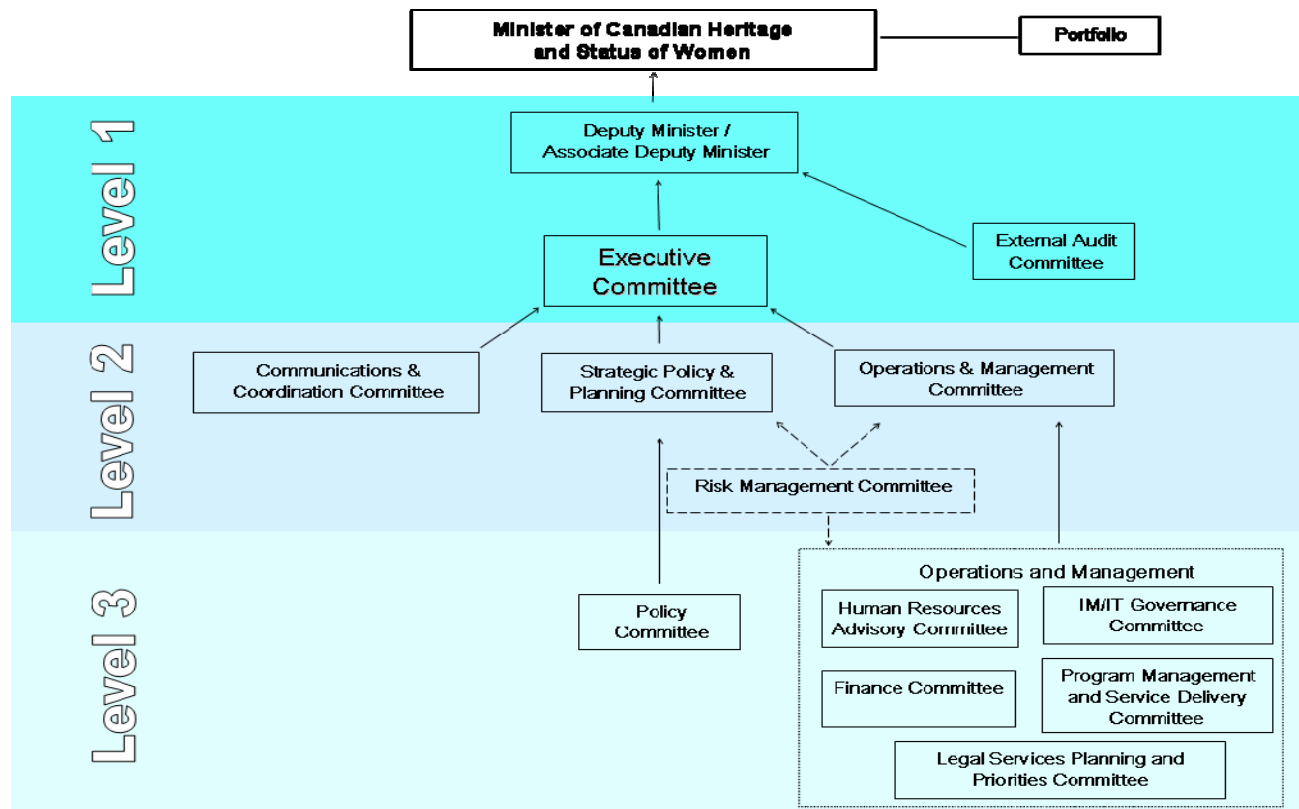
Management Level 1: The Decision-making Committees

- The Executive Committee is the Department's senior decision-making committee. It acts as a "board of directors", responsible for overall governance, strategic direction and decision-making in support of the Deputy Minister.

- The External Audit Committee was created in anticipation of eventual implementation of the new Internal Audit Policy. It will give independent and objective advice to the Deputy Minister and verify for the latter that the Department's control and accountability processes are satisfactory. It will be chaired by an external member and include (in addition to the Chief Audit Executive and Chief Financial Officer) three to five members from outside the Department who will have a four-year term. In keeping with the new Audit Policy, the audit function now reports directly to the Deputy Minister, effective July 11, 2007.

Management Level 2: The Operational Committees (Chaired by the Deputy Minister or by the Associate Deputy Minister)

- The Communications and Coordination Committee is a forum for discussion on future communications and departmental events programming.

- The Strategic Policy and Planning Committee acts as a catalyst in developing a strategic vision, by linking policies and programs with a view to achieving the Department's strategic outcomes.

- The Operations and Management Committee is responsible for reviewing processes and deciding how to implement operational and management strategies.

- The Risk Management Committee advises the two preceding committees on risk assessment and management. This committee is not yet operational.

Management Level 3: The Advisory Committees

- The Policy Committee provides advice on policy development and reports to the Strategic Policy and Planning Committee.

- The Human Resources Advisory Committee, the Finance Committee, the Information Management and Information Technology (IM/IT) Committee, the Program Management and Service Delivery Committee and the Legal Services Planning and Priorities Committee all report on their respective areas of responsibility to the Operations and Management Committee.

A range of networks, forums and other committees allow directors general, directors, senior officers and employees to exchange information with departmental colleagues, based on shared expertise or management responsibilities.

This committee structure and the Department's management structure are designed to strengthen governance and help the Department be more proactive on the Government's management and policy program. The model enhances overall consistency as well as the transparency of the decision-making process, to ensure progress toward achievement of the Department's strategic outcomes.

Environmental Context

Over the past year, the Department has continued to monitor closely the broader, long-term trends that are shaping cultural expression and community involvement in the Canada of today and tomorrow. The trends include increased media convergence and cultural consumption patterns arising from demographic shifts in Canadian society; rapid progress in digital technology and the challenges of a globalized economy.

The speed of technological change has continued to transform the Canadian cultural sector. The country's broadcasting industry is undergoing a radical transformation thanks to the new digital technology and the evolution of consumer attitudes and behaviours. Canadians have seen an unprecedented increase in the number of new for-pay and specialty broadcasting services, the emergence of new platforms for content production, distribution and steady growth in digital cable or direct-to-home broadcasting. Penetration rates for these services are expected to reach 30% of television viewers and 60% of homes over the next five years. In this dynamic environment, the creation of appealing Canadian content that can compete with that produced by other countries presents a constant challenge. At the same time, digital communication has made it more difficult to protect Canadian creators from unauthorized use of their work. Through its activities, the Department is continuing to support the Government's commitment to a solid broadcasting system and quality Canadian programming.

The Department is also closely following developments in a number of other areas, such as demographic and social change in Canada. Over 80% of Canadians now live in urban areas. As well, from 2001 to 2006 immigration contributed 75% of Canada's demographic growth. Projections show that by 2017, 21-26% of Canadians will have been born outside the country. Canada, like other industrialized nations, is experiencing an obvious "greying" of its population: in 2001, one Canadian in eight was 65 or over, but by 2026, one Canadian in five will be elderly. Canada is also becoming a more multilingual society, and the official-language communities are increasingly self-aware. It is vitally important to understand demographic realities in order to identify shared values and maintain the cultural and social model of a Canada based on respect, understanding and diversity.

In a context of enhanced accountability, with emphasis on value for money and significant government measures to ensure financial responsibility, a number of key operational factors are also having an impact on the work of the Department of Canadian Heritage.

- The Department provides most of its support via grants, contributions and other administered programs, to beneficiaries whose aims and abilities vary widely. The Department must manage the risks inherent in third-party program delivery.

- The ability to measure results by the beneficiaries of our programs varies widely from one organization to the next. The differences have an impact on measurement of performance toward achieving the Department's strategic outcomes and the evaluation of contributions to social change made by Department-funded programs.

- Most initiatives are handled by regional offices and service points that operate in a context of horizontal delivery and partnerships with other sectors and levels of government. The Department takes a highly collaborative approach to federal/provincial/territorial relations and in its efforts to mobilize the private sector, local governments, community partners and other departments that pursue common objectives.

- Lastly, the Department's mission and strategic outcomes are aimed at cultural and social phenomena that are difficult to quantify or to attribute to any given intervention. These include creativity, social cohesion, confidence, pride, and a feeling of belonging and attachment to Canada. Continuous effort and research is needed to refine indicators and frameworks for program evaluation and policy review.

The Department is coping with the challenges associated with the aging of its human resources and the transfer of their knowledge and expertise. It needs to introduce a proactive talent recruitment model in order to strengthen internal capacity.

The Department realizes that it must stay abreast of the new operational models, tools for expression and forms of participation made possible by technologies that are increasingly portable, personalized and available to everyone in their daily lives. The Department is also working with other departments and community partners to solve persistent problems of social exclusion suffered by certain minority populations, in particular where racism, language or youth are involved. It is important to note that cultural expression and participation in the arts and sports play a major role in efforts to respond to such social concerns, and the Department seeks to develop programs that complement the role of the arts and sports into these broader objectives.

Lastly, Canadian Heritage consistently strives to use Canada's international commitments to seize opportunities for promoting cultural expression and sharing on a broader scale the Canadian experience with diversity, creativity and pluralism. In conjunction with the Department of Foreign Affairs and International Trade, the Department is undertaking initiatives in areas of shared interest such as social cohesion, and pursuing priority activities such as the

promotion of cultural exchanges in important markets like the United States as well as in key emerging markets like China and Brazil.

In this ever-changing world, Canadian Heritage plays a primary role in the strengthening and preservation of a societal model based on diversity, inter-cultural dialogue and the sharing of values. The social and cultural environment is evolving and the Department must meet these challenges with innovative solutions. As a result, the Department's policies and programs are designed to bring Canadians together, irrespective of their differences, and strengthen their feeling of shared citizenship, pride and belonging. In addition, and with the same end in view, the Department works hard to ensure the excellence and diversity of the cultural content produced by Canada's creators for publics in Canada and around the world.

Results of Canadian Heritage Priorities

In order to achieve the strategic outcomes that support the commitments of the Government of Canada to reinforce the social foundations of the country, the Department established eight priorities for 2006-07. These departmental priorities are supported by key initiatives, to enable the Department to adapt its programs and policies to the current needs of Canadians (see table at the end of this section). The following section summarizes the Department's eight priorities for 2006-07 and the results achieved in the related program activities.

Departmental priorities and program activities at a glance

Priority	Program activity
Audio-Visual Policy Framework	Creation of Canadian Content and Performance Excellence
	Sustainability of Cultural Expression and Participation
Focused Arts and Cultural Policies	Sustainability of Cultural Expression and Participation
	Access and Participation in Canada's Cultural Life
Canada's Heritage	Sustainability of Cultural Expression and Participation
	Preservation of Canada's Heritage
	Access and Participation in Canada's Cultural Life
	Participation in Community and Civic Life
An Inclusive and Participatory Society	Promotion of Inter-cultural Understanding
	Community Development and Capacity-Building
	Participation in Community and Civic Life
Canada's Cultural Interests Abroad	Sustainability of Cultural Expression and Participation
	Participation in Community and Civic Life
Aboriginal Languages and Cultures	Preservation of Canada's Heritage
Sport Development	Creation of Canadian Content and Performance Excellence
	Participation in Community and Civic Life
2010 Games	Sustainability of Cultural Expression and Participation
	Participation in Community and Civic Life

Audio-Visual Policy Framework

Strengthening the Canadian Audio-Visual Policy Framework through improvement of the management and efficiency of federal institutions and policies was a key area of focus for the Department in 2006-07. This priority focused on a range of initiatives to ensure programs related to film and broadcasting are meaningful and reflect changes in new media and new technologies, thereby ensuring that Canadians have a current and relevant policy framework.

The Canadian Radio-Television and Telecommunications Commission (CRTC) submitted its report, *The Future Environment Facing the Canadian Broadcasting System*, in December 2006, which provided a rich factual synthesis of research and comments from the public and industry stakeholders, and will serve as an environmental scan to inform broadcast policy development. The Industry Canada Telecommunications Policy Review Panel examined issues regarding regulation, access and adoption of information and communication technologies, and concluded that Canada should move toward a more market-oriented, deregulated approach to telecommunications. The Department is working with Industry Canada to ensure an effective and coordinated approach to changes in policy or legislation for the broadcasting sector.

A new governance structure for the Canadian Television Fund (CTF) was implemented in April 2006, to enhance accountability, simplify administration and improve reporting. This generated administrative savings of more than $2.8 million.

A detailed analysis on how to centralize the certification of Canadian content was undertaken. The analysis revealed that centralizing all certification in one organization would add a step for producers, instead of simplifying the process. As a result, other means are presently being considered to meet the objectives of centralization, such as streamlining, harmonizing practices and sharing information more freely.

The Government response to the Standing Committee on Canadian Heritage's report on film, Enhancing the Canadian Feature Film Policy (CFFP), outlined the Government's commitments to help the industry reach audiences with quality Canadian films. A plan was developed to determine the differences between the English- and French-language markets and adjustments to program guidelines have been made. Work is continuing to review the government's support to this industry.

The review and modernization of the legislation for Telefilm Canada and the National Film Board was postponed until 2007-08 because of workplan and resource considerations, while the development of a new framework for international audio-visual co-production progressed significantly and should be concluded in 2007-08.

Focused Arts and Cultural Policies

The Department is reviewing its arts and cultural policies and funding programs to focus on building, protecting and promoting Canadian content in a technologically advanced world where citizens will continue to have increasing access to cultural content from around the world. In 2006-07, this priority focused on policy related to copyright, periodicals and to encourage Canadian content on the Internet.

One of the initiatives taken on in 2006-07 was reforming the *Canadian Copyright Act*. The Department is working with Industry Canada to propose legislative amendments to provide for adequate copyright protection and fair compensation for rights holders and allow reasonable access to the public in line with international standards.

Given the dynamic nature of digital interactive media, Canadian Heritage is also undertaking a review of the Canadian Culture Online (CCO) Strategy. As part of this initiative, the Department met with industry stakeholders in the fall of 2006 to discuss a set of proposed changes to the Canada New Media Fund and is in the process of finalizing a revised strategy for support to the new media industry. In 2006-07, through the CCO Strategy, a total of $53.4 million in funding support was approved for 221 projects and initiatives.

Canadian Heritage is reviewing its Canadian periodical support framework to ensure programs remain relevant and that program funding is as effective as possible. As a result of the Government of Canada's directive in December 2006, Canada Post will continue their financial partnership in the Publications Assistance Program (PAP), stabilizing the program at $60.4 million until April 2009. The 1 161 magazines and non-daily newspapers supported through the program will not experience drastic cuts in 2007-08 or 2008-09. This decision will also help prevent widespread increases in subscription prices due to higher delivery costs.

Canada's Heritage

It is important to Canadians that their history and heritage be safeguarded for future generations. It is through the preservation and recognition of Canada's heritage that our national context is understood. In 2006-07, the Department undertook a number of initiatives in support of facilitating the preservation of and access to historical cultural works and practices.

The four national museums and Library and Archives Canada are key assets for the Government of Canada in fulfilling its policy objectives in this area. In December 2006, the Government of Canada announced an investment of $41.5 million over five years to address urgent capital and infrastructure challenges facing Canada's four national museums.

Non-federal museums across the country also play important roles in preserving Canada's heritage and contributing to the economic and social well-being of communities. In the 2007 Budget, an additional $5 million per year was announced to hire qualified summer interns in small and mid-sized museums. The grants and contributions programs in the Department for which museums are eligible continued to enable institutions to carry out projects such as developing and circulating traveling exhibitions and improving collections care capacity.

To be fully effective as a resource in building strong communities and strengthening national identity, museums need to respond to changes in Canadian society and the emergence of new technologies in addition to addressing the ongoing challenges of collections care. To help address these challenges, a software application was developed and piloted in May 2006 to assist museums in measuring economic impact. In addition, the Canadian Heritage Information Network (CHIN) is piloting an online museum learning space for museums and the education community.

Other initiatives that Canadian Heritage undertook in 2006-07 included continuing the groundwork for a review of the *Cultural Property Export and Import Act* in order to strengthen its effectiveness and enhance accountability. The Canadian Conservation Institute (CCI) undertook 51 research conservation and scientific research projects, despite some of the laboratories being non-functional due to renovations. The Institute provided more than 870 expert services to museum clients in Canada. Knowledge dissemination activities included 19 workshops provided to more than 326 museum professionals and staff and the sale of over 5,900 publications in Canada and abroad.

The Canada Traveling Exhibition Indemnification Program is increasing opportunities for Canadians to access Canadian and international cultural heritage through the exchange of artifacts and exhibitions in Canada. In 2006-07, the Department reviewed the first five years of the program's operation and reported to Parliament. An analysis of implementation issues and recommendations for potential alterations to the program were provided in the report. As a result, no program redesign needs to be conducted.

The Department also has an important role in helping to support celebrations and commemorations to mark key events in Canada's history and in recognizing significant items in the history of our country. The celebration of the 400th anniversary of the founding of Canada's oldest city, Québec, in 1608, has been identified as a key commemorative event. A multiyear contribution agreement with the Société du 400e anniversaire de Québec was signed in August 2006 in support of this celebration. In 2006-07, Canadian Heritage contributed $7,050,000 to this initiative.

An Inclusive and Participatory Society

Canada's ability to leverage the benefits of diversity depends on its success at ensuring that all citizens have the opportunity to participate economically, socially, politically and culturally in Canada. The Department aims to promote full participation in Canadian society through targeted interventions. A two-stream approach was utilized in 2006-07: one to address multiculturalism and racism, and the other to support official languages education.

As promised in the 2006 Speech from the Throne, on June 22, 2006, the Government of Canada made an official apology for the implementation of the Chinese Head Tax. In 2006-07, 42 *ex gratia* payments totaling $840,000 were made to Head Tax Payers and 119 ex gratia payments totaling $2,380,000 were made to conjugal partners of now deceased Head Tax Payers. A $24 million Community Historical Recognition Program and a $10 million National Historical Recognition Program were developed.

Canada's diversity is a source of enormous benefit to Canada's social, economic and cultural development. However, there is growing evidence that while many members of ethno-cultural/racial communities fully participate in all aspects of Canadian life, others encounter long-term barriers to their full social, economic and cultural participation.

The Multiculturalism Program, which focuses on identifying the barriers faced by ethno-cultural/racial communities, supported a number of initiatives in 2006-07 with an emphasis on removing barriers that limit economic, social, political and cultural participation. For example, these initiatives included the Young People's Press - Diversifying Canada's Newsrooms project and the Multiculturalism Internship pilot projects. In addition, more than 46 000 Canadians were reached through the delivery of 29 national initiatives celebrating Black History Month and Asian Heritage Month.

Canadian Heritage is combating racism through the implementation of its action plan – A Canada for All: Canada's Action Plan against Racism. A consultation strategy was developed and three discussion sessions were held in the spring and fall of 2006 to further increase awareness about the Action Plan and to gain stakeholder perspectives on measuring progress.

Canadian Heritage plays an instrumental role to enhance official-language minority communities' participation in different sectors of Canadian Society, notably by providing financial assistance to province and territories. The multi-year agreements on education reached with the Council of Ministers of Education and the provinces and territories in 2005-06 over a four-year period were implemented in 2006-07. These agreements enable Canadian Heritage to provide financial assistance to provinces and territories for minority-language education and for second-language learning programs. Based on the most recent data, more then 250 000 minority youths are enrolled in minority schools and over 2.3 million young Canadians (47.5%) studied English or French as their second language in 2003-04.

Canada's Cultural Interests Abroad

Canada's athletes, artists and creators are international ambassadors who showcase Canada to the world. Today's globally integrated economy and society requires Canadian Heritage to be engaged at an international level to achieve our domestic objectives and promote the interests of Canada abroad.

In 2006-07, Canada continued to use every opportunity to promote the ratification of the UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions. In December 2006, the critical mass of 30 ratifications had been reached and the Convention entered officially into force, three months later, on March 18, 2007. As of March 31, 2007, 56 countries had formally ratified the Convention. This represents the most efficient ratification process in UNESCO history. This Convention is an international instrument on cultural diversity that reaffirms the right of countries to take measures in support of culture, while recognizing the dual social and economic nature of cultural goods and services.

The Department, on behalf of the Government of Canada, accepted the invitation from the Premier of the State Council of the People's Republic of China to participate in Expo 2010 in Shanghai.

Canadian Heritage leads initiatives to support its key international objectives in close collaboration with the Department of Foreign Affairs and International Trade (DFAIT). Through its participation in all trade negotiations undertaken by the government of Canada in 2006-07, Canadian Heritage has expressed our trade and culture position and sought to keep the flexibility needed to pursue domestic cultural policy objectives. Although no new trade agreements were concluded in 2006-07, Canadian Heritage along with its DFAIT counterparts advanced Canada's cultural interest in the context of ongoing multilateral negotiations.

Aboriginal Languages and Cultures

In Canada, First Nations, Inuit and Métis languages are in a rapid state of deterioration. Of the more than 50 Aboriginal languages spoken in Canada, only three - Cree, Ojibway and Inuktitut - are considered to be strong enough to survive in the long-term.

In 2006-07, $5 million was provided through the Aboriginal Languages Initiative (ALI) to Aboriginal organizations that undertook and distributed funding to community-based language projects in over 200 communities across Canada to preserve First Nations, Inuit and Métis languages. In November 2006, the Government of Canada also announced the renewal of $5 million per year for the ALI until 2013-14.

Sport Development

The Department seeks to encourage, promote and develop sport and sport participation in Canada through program support to the sport community and collaborative efforts with the provinces and territories, consistent with the Canadian Sport Policy. A number of initiatives are well underway in support of this priority.

In 2006-07, the Department began to implement the Policy on Sport for Persons with a Disability and the Policy on Aboriginal Peoples' Participation in Sport. Canadian Heritage assisted Finance Canada and the Canada Revenue Agency in the development of a definition of physical activity programs eligible for the Children's Fitness Tax Credit identified in the 2006 Budget speech. The Department also participated in Health Canada's interdepartmental working group on the Aboriginal Youth Suicide Prevention Strategy, leading to the acceptance of sport participation as one of the important tools to address this health crisis and demonstrating the contribution of sport to broader social objectives.

The Federal Policy for Hosting International Sport Events was revised and approval for the policy is being sought. Once fully operational, the Canadian sport system will benefit from a planned and coordinated approach to bidding and hosting events.

Sport Canada has been working closely with National Sport Organizations (NSOs) to complete Long-Term Athlete Development (LTAD) models and with the Coaching Association of Canada

to advance the implementation of the revised National Coaching Certification Program. In addition, Podium Canada was created to replace the interim Canadian Sport Review Panel, establishing a permanent mechanism to provide technical sport expertise and funding recommendations to the Canadian Olympic Committee, the Canadian Paralympic Committee and Sport Canada, as the three national funding parties.

2010 Games

Under the Federal Policy for Hosting International Sport Events, the Government of Canada is providing federal essential services, capital and legacy funding in support of the 2010 Winter Games that can bring significant net sport, economic, social and cultural benefits to Canadians.

The Department provided leadership in delivering the Government of Canada's hosting commitments, including essential services, and is continuing to monitor progress and perform due diligence on the venue construction program as part of its operations. A Government Operations Steering Team (GOST) was created by government partners and the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) to facilitate planning and operations.

In addition, the Government of Canada supported the signing by non-government partners of a Collaborative Protocol of Francophone communities to ensure representation of Canada's Francophonie in the hosting of the 2010 Winter Games. Negotiations have been entered into with municipalities of Vancouver and Whistler to plan and implement Live Sites, which will be free public gathering spaces. The 2010 Federal Secretariat actively participated in 2010 Partner bi-annual community update events in all Four Host First Nation communities, as well as provided ongoing support and monitoring for the Four Host First Nations Society.

Below is a diagram demonstrating how each of the eight priorities link to the Department's key initiatives described in upcoming section.

**Departmental priorities and key initiatives at a glance**

Priority	Type[1]	Key initiatives
Audio-Visual Policy Framework	Ongoing	CRTC Report on the Impact of Technologies on Canadian Broadcasting
		Canadian Television Fund new governance structure
		Telecommunication Policy Review Panel response
		Canadian Feature Film Policy
		Audio-visual institutional renewal: Telefilm Canada and National Film Board
		Centralization of Canadian content certification
		International Audio-visual Co-production Framework
Focused Arts and Cultural Policies	Previously committed	Copyright reform
		Canadian Periodical Policy
		Canadian content Online
Canada's Heritage	Previously committed	Canada's Museums
		Cultural Property Export and Import Act review
		Virtual Museum of Canada's further enhancement
		Canadian Conservation Institute: Returning to full function
		Canada Travelling Exhibitions Indemnification Program
		400th anniversary of Québec City in 2008
An Inclusive and Participatory Society	Previously committed	Second-language learning agreements
		Multiculturalism Program
		Development of official-language minority communities
		Canada's Action Plan Against Racism
		Historical redress
Canada's Cultural Interests Abroad	Previously committed	International cultural trade
		UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions
		Canada's participation in international expositions
		Development and implement on International Strategic Framework
Aboriginal Languages and Cultures	Previously committed	First Nations, Inuit and Métis languages
Sport Development	Previously committed	Opportunities for sport participation
		Benefits of hosting
		High performance sport programming and technically sound sport development
2010 Games	Previously committed	2010 Games: Strategic opportunities initiative

[1] As per the *Guide for the Preparation of Part III of the 2006-07 Estimates,* the priorities are categorized as follows: an **ongoing** priority is considered to have no end date, whereas a **previously committed** priority was outlined in a previous *Report on Plans and Priorities* and is considered to have an estimated end date.
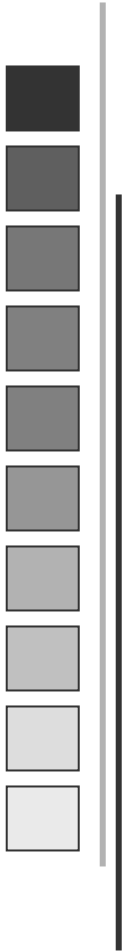
Section 2

ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME
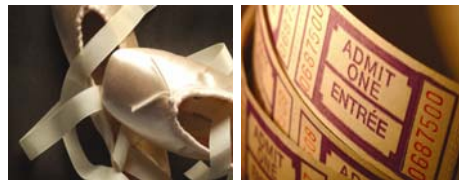
Introduction

This section presents results achieved in 2006-07 in relation to the Department's strategic outcomes and key commitments. All commitments made in the Canadian Heritage *2006-07 Report on Plans and Priorities* are reported in the summary table at the end of this section. The initiatives presented in the following pages were selected using the following criteria: i) size - a program or service that consumes a large portion of finances or attention; ii) profile - the population may be interested in a particular program or service; iii) internal importance and materiality of results; iv) recency - a new program or service has been introduced; or v) termination - a program or service has been discontinued.

To demonstrate in more concrete terms how the Department serves Canadians, this section contains examples of Canadian Heritage activities at the community level across the country, and describes the results achieved.

	Program Activity Architecture

Strategic Outcome 1 – Canadians Express and Share their Diverse Cultural Experiences with Each Other and the World

Program activity	*Program sub-activity*	*Program sub-sub-activity*
CREATION OF CANADIAN CONTENT AND PERFORMANCE EXCELLENCE	Arts & Cultural Industries	Canadian Television Fund; Canada Music Fund: Content Development; Book Publishing: Content Development; Canada Magazine Fund: Content Development; New/Interactive Media: Content Development
	Sport	Sport Support; Sport Hosting; Athlete Assistance
SUSTAINABILITY OF CULTURAL EXPRESSION AND PARTICIPATION	Arts & Cultural Industries	Support for the Arts Sector; Film and Video Sector: Capacity-Building; Canada Music Fund: Capacity-Building; Book Publishing: Industry Development; Canada Magazine Fund: Industry Development; New/Interactive Media: Sector Development; Cultural Investment Review
	Heritage	Support to Heritage Institutions and Organizations; Canadian Heritage Information Network (CHIN)
	2010 Winter Games	
	International	Trade Routes; TV5; International Francophonie; International Norm and Standard Setting; Capacity-Building and Cooperation
PRESERVATION OF CANADA'S HERITAGE	Heritage	Feature Film Preservation and Access; Canadian Music Preservation and Access; Canadian Conservation Institute (CCI)
	Aboriginal Living Cultures	Aboriginal Languages and Cultures; Aboriginal Broadcasting
ACCESS AND PARTICIPATION IN CANADA'S CULTURAL LIFE	Arts & Cultural Industries	Arts in Communities; Book Publishing: Supply Chain Initiative; Publications Distribution Assistance; Canada Music Fund: Collective Initiatives
	Heritage	Canadian Cultural Heritage Online; Exhibitions and Collections; Movable Cultural Property

Strategic Outcome 2 - Canadians Live in an Inclusive Society Built on Inter-cultural Understanding and Citizen Participation

Program activity	*Program sub-activity*	*Program sub-sub-activity*
PROMOTION OF INTER-CULTURAL UNDERSTANDING	Official Languages	Promotion of Linguistic Duality; Second-Language Learning
	Multiculturalism	
COMMUNITY DEVELOPMENT AND CAPACITY-BUILDING	Aboriginal Partners	Aboriginal Organizations
	Official Languages	Community Life; Minority-Language Education
PARTICIPATION IN COMMUNITY AND CIVIC LIFE	Multiculturalism	
	Aboriginal Communities	Aboriginal Youth; Aboriginal Women; Aboriginal Friendship Centres
	Citizen Participation	Community Partnerships; Human Rights; Information and Research on Canada
	Sport	Sport Support; Sport Hosting
	Youth	Exchanges Canada; Katimavik; Young Canada Works; Canadian Studies
	Celebration	Celebration, Commemoration and Learning; Ceremonial and Protocol
	International	International Expositions
	2010 Winter Games	

Strategic Outcome 1

Strategic Outcome 1: Canadians Express and Share Their Diverse Cultural Experiences with Each Other and the World

Canadian Heritage helps to ensure that Canadians can express their creativity, showcase their talents and share their stories and experiences through the arts, heritage institutions, cultural industries and sport activities. To achieve this outcome, the Department carries out policies and programs that support the environment needed to strengthen and share - both at home and abroad - Canada's values and its diverse voices.

The Department's efforts toward achieving this strategic outcome are delivered through the first four program activities of the Canadian Heritage Program Activity Architecture. The table below provides the total planned financial and human resources for the Department's first strategic outcome, which is the sum of resources allocated to four program activities.

Financial and Human Resources for Strategic Outcome 1 - 2006-07		
Program Activities	**Actual Spending ($ millions)**	**Actual Full-Time Equivalents**
1. Creation of Canadian Content and Performance Excellence	353.3	337
2. Sustainability of Cultural Expression and Participation	246.2	577
3. Preservation of Canada's Heritage	45.6	233
4. Access and Participation in Canada's Cultural Life	163.1	444
Total	**808.2**	**1 591**

Program Activity 1

Creation of Canadian Content and Performance Excellence

Expression of culture starts with the creation of works and performance. Although excellence is what professional artists and high performance athletes strive for, its achievement requires a sufficiently supportive structure both domestically and internationally, at all levels of cultural and sport development. Canadian Heritage focuses on enabling creators to produce and athletes to perform by supporting the structure and cultural industries needed for high quality works and performances.

> Did you know that the 2007 Canada Winter Games Cultural Festival in Whitehorse showcased 560 Pan-Northern and Canadian artists in the performing and visual arts? Attendance at the seven-day festival reached 22,777, more than two-thirds the population of the Yukon.

The Department expects two results by pursuing this first program activity: Canadian content reflective of Canada's diverse society is created and produced for domestic and international markets; and Canadians excel domestically and internationally in culture and sport.

CRTC Report on the Impact of Technologies on Canadian Broadcasting

Technology is rapidly changing the broadcasting landscape leading to the emergence of multi-disciplinary media companies containing, among others, converged telecommunication, broadcasting, film production and print business lines. To fulfill its responsibilities for policy making, the Government needs to better understand the future of the broadcasting and media industry and audiences in an era of rapid technological change. As an important first step towards modernizing Canadian broadcasting policy, the Government directed the Canadian Radio-Television and Telecommunications Commission (CRTC) to report on the impacts of technological change on Canadian broadcasting as a whole.

Planned Results (as outlined in the Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The CRTC's final report will provide a factual synthesis of research and comments from the public and broadcasting stakeholders, and it will serve as an environmental scan to inform broadcasting policy decisions, including policy as it relates to the CBC/Radio-Canada, regarding the future of the broadcasting system.

Results Achieved

Planned results for 2006-07 were achieved. In response to the Government's request through section 15 of the *Broadcasting Act,* the CRTC released a report, *[The Future Environment Facing the Canadian Broadcasting System](#)*, on December 14, 2006. The report will inform Canadian Heritage's broadcasting policy decisions, including the role of the public broadcaster, to ensure the ongoing health, contributions and relevance of the Canadian broadcasting system.

The report provided a rich, factual synthesis of research and comments from the public and industry stakeholders. Issues including the evolution of audio-visual technologies, their usage by Canadians, and the impact of new platforms and technologies on the Canadian broadcasting system were addressed. The report suggests that more information is required to follow the impact of new media, and that fundamental reform is needed in the next three to seven years.

Canadian Television Fund New Governance Structure

The objective of the Canadian Television Fund (CTF) is to assist in the creation and broadcast of high-quality, culturally significant Canadian television programs in both official languages during peak viewing hours. The CTF's annual revenues come from three sources: cable and satellite distributors, the federal government and recoupments on investments in television projects by Telefilm Canada.

In response to recommendations, in several reports including that of the Standing Committee on Canadian Heritage on the Canadian broadcasting system and the Auditor General, the Department has worked with stakeholders to modify the governance framework of the CTF.

Planned Results (as outlined in the Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The results of the modified governance structure of the [Canadian Television Fund](#), which will make one board responsible for its activities, will enhance accountability, simplify administration, and improve reporting. It will also result in cost savings that will be invested in program production.

Results Achieved

Planned results for 2006-07 were achieved. The new governance structure for the CTF with one board (CTF Corporation) and one administrator (Telefilm Canada) was implemented on April 1, 2006. This generated administrative savings of more than $2.8 million.

In 2006-07, the CTF invested an amount of $250 million in Canadian productions, which generated 2,165 new hours of Canadian television programming. Since its inception in 1996, the CTF has invested more than $2.3 billion, which has generated the production of 23,141 hours of Canadian programs.

High Performance Sport Programming and Technically Sound Sport Development

The Department of Canada Heritage provides strategic support to enhance high performance programming, such as targeted funding to athletes and coaches, national sport organizations and the national network of Canadian Sport Centres, to support Performance Enhancement Teams.

The Department is committed to high performance sport in Canada – results that are essential in defining Canada as a leading sport nation.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The key goal of these efforts to support high performance and sport development is to have systematic achievements of podium performances by Canadian athletes at future Olympic and Paralympic Games and World Championships.

Results Achieved

Planned results for 2006-07 were partially achieved. During the 2006 World Championships in summer Olympic sports, Canadians won 10 medals out of 152 events in which we participated. As a result, Canada ranked 16th in total medals won among the countries that participated in these events. Canadian athletes won 57 medals out of 501 events in which we participated at the 2006 World Championships for athletes with a Disability. Canadian athletes won 27 medals out of 86 events in which we participated at the 2007 World Championships in the various winter Olympic sports and as a result, Canada ranked second in the medal standings in 2007.

Canada's Olympic Ranking Index

The Annual Olympic Ranking Index is based on medal points, from summer and winter Olympic events at World Championships and Olympic Games, over a four-year cycle. The data demonstrates that Canada is continuing to improve its international Olympic ranking in winter sports, while summer sports are maintaining a lower ranking among the top twenty nations.
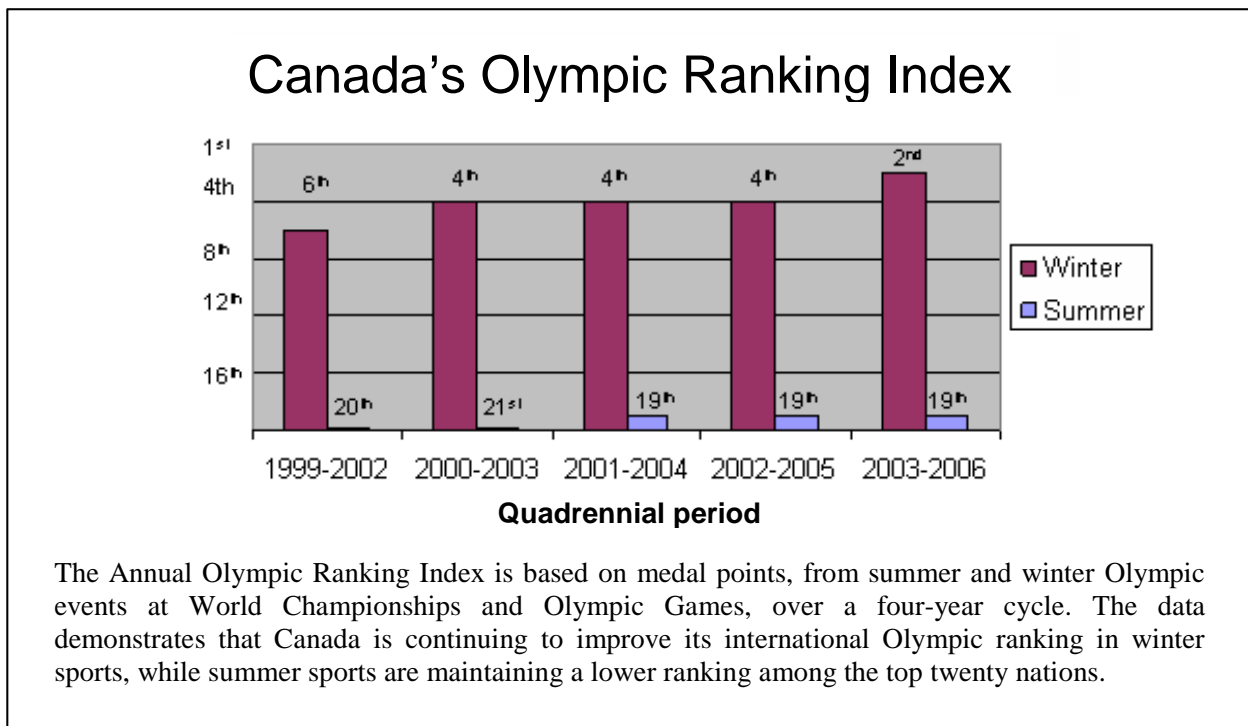
Sport Canada has been working closely with National Sport Organizations to complete Long-Term Athlete Development (LTAD) models and with the Coaching Association of Canada to advance the implementation of the revised National Coaching Certification Program. In addition, Podium Canada was created to replace the interim Canadian Sport Review Panel, establishing a permanent mechanism to provide technical sport expertise and funding recommendations to the Canadian Olympic Committee, the Canadian Paralympic Committee and Sport Canada, as the three national funding parties.

The UNESCO Convention on Antidoping came into full force in February 2007. Sport Canada undertook a review of the Convention to determine our compliance to each element and to identify priority areas for future pursuit. In addition, Sport Canada participated in preliminary meetings coordinated by the 2010 Federal Secretariat to sensitize the federal organizations about anti-doping requirements for the Games as an opportunity to educate them about UNESCO Convention commitments and to begin identifying possible partnerships and cooperation.

Benefits of Hosting

In order for Canada to have a coordinated approach to bidding on sport events and to fully benefit from hosting such events, the Department will implement the Strategic Framework for Hosting International Sport Events in Canada and revise the funding framework for the Canada Games. A strategic approach to bidding and hosting events in Canada will provide opportunities to build capacity in the sport system, enhance the excellence of athletes and promote sport participation.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

A planned and coordinated approach to bidding and hosting sport events will result in enhanced excellence and sport development of Canadian athletes and the Canadian sport system, and will ensure that federally funded international events and the Canada Games reflect federal priorities. By contributing to the revision of the framework for the Canada Games, the Department will maximize the benefits from this important domestic event.

Results Achieved

Planned results for 2006-07 were partially achieved. Both the organizational design and implementation plan for the coordinated approach to bidding and hosting have been developed.

The objective to revise the funding framework for the Canada Games was aimed at defining a new hosting rotation and a revised funding framework to stage the Games. The Department worked with the provinces and territories towards a consensus on both areas. The new hosting rotation (which includes all provinces and territories and covers the period up to 2036), was endorsed by federal/provincial/territorial sport ministers in February 2007.

A consensus was not reached on a revised funding framework to stage the Games. While the costs identified to stage the Games were validated, a consensus among federal, provincial and territorial ministers on the proposed cost sharing formula was not achieved. In the absence of consensus, the funding framework contained in the 1997 Clear Lake Resolution remains in effect.

The Federal Policy for Hosting International Sport Events was revised and approval for the new policy was sought. Full implementation of the new Policy and its associated International Sport Event Coordination Group is pending the identification of a source of funds. Once fully operational, the Canadian sport system will benefit from a planned and coordinated approach to bidding and hosting events.

Program Activity **2**

Sustainability of Cultural Expression and Participation

Cultural life rests on the continued existence of an intricate network of institutions, not-for-profit organizations, corporations, volunteers, professionals and audiences. This network is both resilient – it relies on considerable dedication, experience and talent – and fragile – some crucial elements of the chain are vulnerable to investment patterns, market failures, foreign competition, technological changes, labour strains and international trade rules and agreements. As an integral part of the network, Canadian Heritage fosters the sustainability of the many organizations, cultural industries, entrepreneurs, and artistic and athletic performance events comprising this rich ecosystem. It does so by assisting them to increase their ability to attract investment, achieve adequate copyright protection, present to Canadian audience, pursue international opportunities and build organizational partnerships.

> Did you know that the États généraux des arts et de la culture, attended by about 500 participants, was held on New Brunswick's Acadian Peninsula? This "cultural roundtable" facilitated networking and a blending of ideas among all artistic and cultural communities in New Brunswick, Atlantic Canada, Canada at large and the international Francophonie.

The result of this program activity is vibrant cultural and sport sectors in which Canadian cultural expression and participation can thrive and remain relevant at home and abroad.

Telecommunications Policy Review Panel Response

The Government of Canada appointed a [Telecommunications Policy Review Panel](#) in April 2005 to examine the telecommunications policy and regulatory framework in Canada. The panel examined issues regarding regulation, access and adoption of information and communication technologies.

Taken together, the Panel's recommendations should create a more market-oriented, deregulated approach to telecommunications. The Government of Canada has signalled its intent to move in this direction by tabling in Parliament a policy directive to the CRTC. Where regulation would still be necessary (where the market cannot correct problems), regulation would be minimal and efficient.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The Department will ensure that proposed changes to policy or legislation are measured and that the impacts of such changes on the broadcasting system are consistent with the government's policies and objectives.

Results Achieved

Planned results for 2006-07 were achieved. The Department is working with Industry Canada to ensure an effective and coordinated approach to reforms in the broader communications sector: one that puts the public interest first. This includes taking into account any implications for the broadcasting sector in an increasingly converged environment.

The changes brought forward to date are consistent with the Government's broadcasting policies and objectives. Future initiatives and changes in this respect will continue to be monitored.

Canadian Feature Film Policy

In 2000, Canadian Heritage released a policy to support Canadian feature film entitled *From Script to Screen*. Although the majority of objectives and targets set in the policy were met, the success of Canadian feature films has been mixed – French-language films have achieved audience success while English-language films have not achieved the same results. French and English feature film markets face different challenges and realities. The Department is working to address these issues through consultations and is developing initiatives to recognize these differences.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Develop initiatives to recognize differences and build subsequent changes to existing government support for the coming years.

Results Achieved

Planned results in 2006-07 were partially achieved. Possible long-term solutions to challenges faced by the film industry are being examined. The Government response, *Enhancing the Canadian Feature Film Policy (CFFP)*, to the Standing Committee on Canadian Heritage's film report outlined the Government's commitments to help the industry reach audiences with quality Canadian films. A plan was developed to recognize differences between the English- and French-language markets and adapt the policy, and adjustments to program guidelines have been made. Work is continuing to review the government's support to this industry.

The Department has engaged the industry through Telefilm's Canada Feature Film Fund (CFFF) working groups for the two language markets. Following the work of these groups, a series of technical amendments were implemented by Telefilm to better adapt the CFFF to each of the markets. The groups were asked to provide proposals for separate box office targets for the two markets, thereby updating a key objective of the Canadian Feature Film Policy. Canadian Heritage is working on improving the measurement of film audiences through various distribution platforms – not just movie theatres.

Audio-visual Institutional Renewal: Telefilm Canada and National Film Board

Today, audio-visual production takes place in an environment of rapid technological advancement, globalization, convergence and socio-demographic diversity. Recent studies, such as those from the Standing Committee on Canadian Heritage, have recommended that the mandate of Telefilm Canada, the National Film Board (NFB) and other federal cultural agencies be better aligned toward common objectives, while clearly delineating their roles and responsibilities.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

This initiative will result in legislation that establishes a modern governance and accountability structure, as well as flexibilities to respond to the realities of the Canadian audiovisual industry in the 21st century.

Results Achieved

Planned results in 2006-07 were modified. This activity has been postponed until the next reporting period because of workplan and resource considerations.

Centralization of Canadian Content Certification

A number of reports, including the Standing Committee on Canadian Heritage's 2003 Report on Broadcasting, called for the centralization of Canadian content certification processes. Four federal audio-visual support partners currently assess the Canadian status of productions for their respective programs and responsibilities — the Canadian Audio-Visual Certification Office (CAVCO), the Canadian Television Fund (CTF), Telefilm Canada, and the Canadian Radio-television and Telecommunications Commission (CRTC).

A centralization initiative is being led by the System Council, an inter-departmental group of senior representatives from the Department of Canadian Heritage, the CRTC, the CTF, Telefilm Canada and the Canada Revenue Agency

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Centralizing the certification of Canadian content will provide Canadian producers with a simplified, comprehensive, single-window access. This will bring coherence to certification in view of meeting the objectives of government policies and will improve data gathering on the industry. The optimization of costs and the improvement of data collection over time will be part of the measures used to assess the performance of this initiative.

Results Achieved

Planned results for 2006-07 were modified. The System Council members undertook a detailed analysis on how to centralize the certification of Canadian content. The analysis revealed that centralizing all certification in one organization would add a step for producers, instead of simplifying the process. Therefore, System Council members are considering other ways to meet the objectives of centralization, including streamlining and enhanced accountability. These will include harmonizing practices and sharing information more freely.

Canadian Heritage also began work to put the application processes of the CAVCO online. This initiative will allow producers to more easily apply for production tax credits and help CAVCO improve its efficiency, and will be used as a pilot to put other Canadian Heritage/Government of Canada programs on line.

Virtual Museums of Canada's Further Enhancement

The [Canadian Heritage Information Network](#) (CHIN), in consultation with its 1,200 member museums and the education community, is in the process of developing a new online museum learning space.

This initiative is focused on enabling museums to expand their educational outreach by interacting online with teachers and students; enabling teachers to develop and share lesson plans and learning scenarios, and museum educators to participate in interpretative (Web conferencing) sessions; and enabling students and lifelong learners to access learning resources, share information with one another, and interact with museum educators.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

With the new online museum learning space, Canadians will have effective access to digital learning resources that reflect Canada's heritage.

Results Achieved

Planned results for 2006-07 were achieved. Activities were based on research results including a scan of available information on teachers' use of and need for online cultural material, research on learning objects and museum learning content, an environmental scan of features of existing virtual learning environments and usability testing of initial wire frames.

In the initial prototype phases, teachers and students were asked to visit the site on their own for a few minutes, then carry out specific tasks, comment on any issues encountered, and provide information on how they use online resources in their classes. This helped to uncover any usability issues and to obtain opinions on the prototype. English and French speaking teachers were recruited to use the virtual learning environment prototype in their classroom and provide feedback on any issues encountered.

As of March 31, 2007, a total of 23 learning object collections were either created or in process. Restricted access to the site was provided and museum content was available in both French and

English. Improvements based on the feedback between initial prototype phases have been implemented and additional features for Phase II have been identified based on feedback and previous research. Comments from trial users have been positive. During all phases of testing with both teacher and student, users recognized the innovative aspects of the prototype and demonstrated interest in using the future product/service and museum content.

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2010 Games: Strategic Opportunities Initiative

The Government of Canada is a key partner in planning the 2010 Olympic and Paralympic Winter Games to be held in Vancouver and Whistler, B.C. The 2010 Federal Secretariat, situated within the Department of Canadian Heritage, works closely with the Vancouver Organizing Committee and other Games partners, to ensure that the 2010 Winter Games are a success in the eyes of Canadians, and a credit to Canada abroad.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The goals of the 2010 Federal Secretariat are that: Canadian excellence and values will be promoted nationally and internationally; sport, economic, social and cultural legacies will be established for the benefit of all Canadians, in alignment with federal policy objectives; and that early planning and seamless, cost-effective delivery of mandated federal responsibilities, including essential federal services, will contribute to high quality Games.

Results Achieved

Planned results for 2006-07 were achieved. The Department provided leadership in delivering the Government of Canada's hosting commitments, including the necessary preparations for the delivery of essential services, and is continuing to monitor progress and perform due diligence on the venue construction program as part of its operations. A horizontal and integrated Results-Based Management and Accountability Framework (RMAF) and a Risk-Based Audit Framework (RBAF) have been created. A 2010 Horizontal Communications Strategy was also completed.

The Government Operations Steering Team (GOST) was created by government partners and the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) to facilitate planning and operations between them.

Active engagement in 2010 Partner bi-annual community update events in all Four Host First Nations communities and on-going support and monitoring was provided to the Four Host First Nations Society.

International Cultural Trade

A key element of Canadian Heritage's efforts to ensure the sustainability of cultural industries involves the maintenance of realistic and effective domestic cultural policies in trade and investment rules, an active role in the conduct of Canadian trade policy, and the fostering of cultural trade. The Department supports these efforts by providing international business development and export preparedness services, and assistance to small-and medium-sized enterprises (SMEs) through the delivery of the Trade Routes program.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Key goals include the effective representation of Canadian cultural policy in trade negotiations and the implementation of the technical assistance pilot project aimed at enhancing global cultural trade exchanges for developing countries.

Results Achieved

Planned results for 2006-07 were modified. Through participation in trade negotiations undertaken by the Government of Canada, the Department expressed its trade and culture position and sought to keep the flexibility needed to pursue domestic cultural policy objectives. Although no trade agreement was concluded, Canadian Heritage along with its Department of Foreign Affairs and International Trade (DFAIT) counterparts advanced Canada's cultural interest in the context of multilateral negotiations and ongoing bilateral negotiations with Korea, Singapore and the Andean Community. The wrap-up of the World Trade Organization (WTO) Doha Development Round negotiations have been postponed until there is a consensus amongst WTO members to reach an agreement on various trade issues.

The Department undertook numerous technical assistance pilot projects in 2004, which were all completed in 2006. Future cultural-related technical assistance projects are expected to be governed by the UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions, which came into effect on March 18, 2007.

In 2006-07, Trade Routes' network of Trade Commissioners, co-located at DFAIT's Regional Offices and missions abroad, served a total of 1,234 clients, initiated 355 prospecting activities in foreign markets and participated in the coordination/funding of 117 regional and international projects. Trade Routes contributions program has become increasingly popular since its launch in November 2001, with project proposals rising from 13 to 157 in 2007 (a growth of 1200%) targeting an increasing diversity of international markets. In 2007, 117 projects were approved, the most ever. In addition, a number of trade initiatives were carried out in emerging markets such as Brazil and China, which led to conclusive business deals, new partnerships, and relevant insights on market opportunities in these geographic regions.

Develop and Implement an International Strategic Framework

In 2006-07, the Department sought to clearly articulate its international objectives to better respond to wider government priorities.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The Department developed an international framework that sets up key action and result areas which include: increasing exports; using new technology to ensure better visibility for Canadian content; strengthening relations with the United States; increasing focus on G8 and emerging global powers; and more coherence with overall Government international priorities.

Results Achieved

Planned results for 2006-07 were achieved. Canadian Heritage's International Strategic Framework was finalized and focused on three thematic and geographic priorities: International Cultural Promotion and Trade; Participation and Social Inclusion; and China.

Implementation started in October 2006 with the establishment of senior level Canadian Heritage portfolio working groups corresponding to the priorities. These groups have reinforced information sharing on Canadian Heritage and other government departments' key international activities in these areas, fostered greater collaboration and synergy, and set the stage for more government-wide harmonization in strategic planning and service delivery in these sectors.

All working groups approved strategic options for action plans (2007-10). Participants initiated a portfolio-wide mapping exercise and databank of all international activities, which will allow for much better coordination, planning and effectiveness.

To address the trade deficit and strengthen Canadian cultural exports, Canadian Heritage has fostered greater collaboration between key federal players to increase policy and program alignment, and maximize the support for the promotion of Canada's culture abroad and related trade. The International Strategic Framework has resulted in more clearly defined roles for the Canada Council for the Arts, the Trade Routes program, and the Department of Foreign Affairs and International Trade's Promart program, increasing efficiency and effectiveness.

Communications products and related material have been developed to increase awareness of the Department's international engagement and priorities. These have contributed to the furthering of Canada's foreign policy and public diplomacy priorities; specifically in the areas of governance, human rights, trade and innovation.

Copyright Reform

The *Canadian Copyright Act* seeks to achieve a balance, in the public interest, between recognizing the rights of the creators and owners of copyright works, and the access and dissemination of these works. Technological advances, the development of new business models, and virtually unlimited access to creative works, have revealed challenges for the Act.

In 2006-07, the Department in collaboration with Industry Canada, planned to introduce two new pieces of legislation to allow Canada to: implement the provisions of the two most recent World Intellectual Property Organization treaties on copyright and to address issues related to technological advances and the Internet; and amend the provision in the *Act* relating to the protection of photographs.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The amended legislation will provide adequate copyright protection and fair compensation for rights holders and allow reasonable access to the public in line with international standards.

Results Achieved

Planned results for 2006-07 were partially achieved. Copyright reform continued to be a priority for Canadian Heritage. A bill was drafted to address the various challenges such as: international pressures (e.g. World Intellectual Property Organization treaties); technological changes (e.g. new distribution systems for cultural products); marketplace challenges (e.g. the development of new business models); and court decisions such as Society of Composers, Authors and Music Publishers of Canada (SOCAN) v. Canadian Association of Internet Providers (CAIP) and Canadian Private Copying Collective v. Canadian Storage Media Alliance et al. The legislation has not yet been tabled in Parliament.

UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions

Since 1999, Canada has been actively involved in the development and promotion of an international instrument on cultural diversity that reaffirms the right of countries to take measures in support of culture, while recognizing the dual social and economic nature of cultural goods and services. In 2006-07, Canada demonstrated leadership by advocating in favour of ratification of the Convention. This key international instrument is a tool to help ensure the diversity of cultural expressions.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The Department is working to convince the largest number of UNESCO Member States to ratify the Convention.

Results Achieved

Planned results for 2006-07 were surpassed. Canada has continued to use every opportunity to promote the timely and widespread ratification of the Convention, both bilaterally and in a variety of international fora, including the Organization for American States (OAS), La Francophonie internationale and UNESCO.

In December 2006, the critical mass of 30 ratifications had been reached, allowing the Convention to enter into force. The official entry into force of the Convention took place three months later, on March 18, 2007. As of March 31, 2007, 56 countries had formally ratified the Convention, while others were expected to follow suit shortly. As a result of joint advocacy efforts undertaken by Canada, other supporting countries as well as diverse regional and international organisations, this Convention was the fastest ever ratified in UNESCO history, allowing it to move quickly into the implementation phase.

Canadian Heritage, with the collaboration of Foreign Affairs and International Trade Canada, continues to encourage the greatest number of countries to ratify as soon as possible in order for the Convention to become an effective international instrument.

The Department continues to work closely with the provinces and territories and with Canada's arts and cultural community to promote the Convention and to play an active role in its implementation, by holding events such as the fourth Canada-Quebec-Civil Society Roundtable on the Diversity of Cultural Expressions that was held in Ottawa in February 2007.

International Audio-visual Co-production Framework

International co-production agreements provide national status to audio-visual production both in Canada and in partner countries. This status provides access to public funding and broadcasting systems in both countries, where applicable, and enhances bilateral trade and cultural exchanges in the audio-visual sector.

The International Audio-visual Co-production Framework is under review. The purpose of the review is to examine and refine the objectives of co-production, ensure that they are properly aligned with other federal audio-visual policies and programs, and with overall government objectives.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Over time, the review will result in clearer objectives for official co-production between Canada and foreign partners, selection criteria for new partners, and an integrated performance measurement framework.

Results Achieved

Planned results for 2006-07 were modified. Although work towards a revised framework for international audio-visual co-production has progressed significantly, consultation on a draft framework has been postponed to the next fiscal year (2007-08). The timeline associated with the multi-year implementation strategy will be determined in 2007-08.

Program Activity **3**

Preservation of Canada's Heritage

Canadians want their stories and history to be safeguarded for future generations. Canadian Heritage plays a leading role in facilitating the preservation of and access to cultural works and practices, including film, music, Aboriginal languages, Aboriginal stories and national cultural artefacts and archives. The ultimate goal of this program activity is that Canada's diverse heritage is preserved.

> Did you know that the Iroquois – the first people to farm the St. Lawrence Valley – were featured from November 7, 2006 to May 6, 2007, by the *Société du musée d'histoire et d'archéologie de Montréal,* Pointe-à-Callière? Not only did this major exhibition, supported by Canadian Heritage, delight 90,000 visitors, but it also received the 2007 Léonidas-Bélanger Award for Achievement, presented by the Fédération des sociétés d'histoire du Québec.

Canada's Museums

Canadians look to our museums and archives to protect and preserve their national heritage for this and future generations. The four national museums and Library and Archives Canada are key assets for the Government of Canada in fulfilling its policy objectives in this area. Non-federal museums across the country also play important roles in preserving Canada's heritage and contributing to the economic and social well-being of communities.

Museums need to respond to changes in Canadian society, the emergence of new technologies and the ongoing challenges of collections care. Museums have also identified gaps in their capacity to measure and report on their cultural, social and economic impact. Canadian Heritage continues to work with the museum sector to address these issues.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The long-term result for this activity is an enhanced accessibility by Canadians to our rich and diverse heritage.

Results Achieved

Planned results for 2006-07 were partially achieved. An economic impact measurement tool was piloted at workshops in conjunction with the Canadian Museums Association in May 2006. The application was favourably received by the museums representatives who attended the workshops, which were conducted in both official languages. Following the workshops, further assessment of the tool was performed to determine the most accessible means of distribution. Pilot testing and assessment of the economic impact model led to the conclusion that development of the stand-alone application as a web-based tool would maximize accessibility.

> Did you know that the *Near North Mobile Media Lab* has increased access to new media technologies for rural and isolated communities throughout central and northern Ontario? Canadian Heritage investments in the project have enabled community partners to create a mobile trailer-unit that contains a variety of media equipment (including digital cameras, projectors, and editing suites) which have opened up access to digital creation, particularly for youth and Aboriginal peoples. To date, a number of activities have been undertaken, ranging from providing apprenticeship venues for emerging artists, to acting as a digital media classroom for a children's summer camp.

In December 2006, the Government of Canada announced an investment of $41.5 million over five years to address urgent capital and infrastructure challenges facing Canada's four national museums, in order to protect and showcase our culture and heritage.

In the 2007 Budget, an additional $5 million per year was announced to hire qualified summer interns in small and mid-sized museums. The heritage component of the Young Canada Works program (YCW) helps renew the workforce in the museum sector while enhancing the capacity of smaller institutions to offer visitor services during the peak summer period. YCW is the only program that also provides support to heritage institutions that are open to the public on a seasonal basis, which are often located in a small or medium size community. In 2006-07, close to 900 summer students and graduate interns found work in heritage organizations through the program.

In 2006-07, the grants and contributions programs in the Department for which museums are eligible, such as the Canadian Arts and Heritage Sustainability Program (CAHSP), Cultural Spaces Canada, Canadian Culture Online, and the Museums Assistance Program, continued to enable institutions to carry out projects such as developing and circulating travelling exhibitions and improving collections care capacity. For instance, the Museums Assistance Program provided funding for 169 new projects out of the 225 received (75%). Of these, 72 facilitated Canadians' access to their heritage through the production and circulation of travelling exhibitions, 22 contributed to the preservation and presentation of Aboriginal heritage, and 75 helped enhance professional standards and competencies in the management of key museological functions such as collections care, exhibitions and public programming. In addition, 14 of these projects directly supported official language minority communities. Through the CAHSP, 60 new projects were funded to improve long-term capabilities of heritage organizations in the areas of management practices, financial-sufficiency, audience development and governance.

Cultural Property Export and Import Act Review

The *Cultural Property Export and Import Act* (CPEIA) was enacted in September 1977, as Canada's implementing legislation for the 1970 UNESCO Convention on illicit traffic in cultural property. The *Act* established Canadian export control over cultural property; the Canadian Cultural Property Export Review Board; tax incentives and grants to encourage the sale and donation of significant items to Canadian public institutions and the repatriation of such objects from abroad; and import controls that fulfill Canada's treaty obligations toward other State Parties to the Convention.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The long-term result of this initiative is that this important legislation will be a modernized, more effective tool in the preservation of Canada's cultural heritage, and that of countries who suffer the loss of their heritage through illicit traffic in cultural property. The result this year will be the completion of public and stakeholder consultations to identify options for legislative reform.

Results Achieved

Planned results for 2006-07 were partially achieved. A discussion paper to identify actions for legislative reform was partially developed, in preparation for public consultations, to strengthen the *Act's* effectiveness and enhance accountability.

In 2006-07, the Canadian Cultural Property Export Review Board certified 6,095 objects in 839 applications for certification that were made by 149 designated institutions, for a total fair market value of $114,166,980. In addition, 10 grants were awarded to 9 institutions totalling $1,486,336.59, and 415 cultural property export permits were issued. Of these, 73 were for temporary export and 342 were for permanent export. Thirty-four files were opened regarding potential illegal imports.

Canadian Conservation Institute: Returning to Full Function

The Canadian Conservation Institute (CCI) is an internationally-recognized centre of excellence in preservation that is committed to increasing the heritage community's capacity to preserve Canada's material cultural heritage for current and future generations.

The Institute's key goal is to ensure the heritage community both in Canada and internationally has access to CCI's research, publications, expert services and training on the preservation of material cultural heritage.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The key planned result of this initiative is to ensure the heritage community both in Canada and internationally has access to CCI's research, publications, expert services and training on the [preservation of material cultural heritage](#).

Results Achieved

Planned results for 2006-07 were partially achieved. The renovation of CCI's main facility went well (90% complete for Phase 2), and the certification process for the laboratory ventilation system will be completed in the fall of 2007. To make CCI services more accessible to clients and to increase the transparency of its decision-making, CCI has introduced an exhaustive framework of services that includes a clear description of eligible clients, new criteria for evaluating the requests for services, a new policy on revenue generation and an updated fee structure. CCI has also developed an e-Services portal that allows heritage institutions to submit their requests for service on-line. This will facilitate the access and speed of service for the heritage community.

Although some of its laboratories were non-functional due to the renovation project, CCI undertook 51 conservation and scientific research projects in 2006-07. The Institute responded to more than 870 requests for expert services to museum clients in Canada. Knowledge dissemination activities included 19 workshops provided to more than 326 museum professionals and staff (with a satisfaction rate of 99%) and the sale of over 5 900 publications in Canada and abroad.

Planning for the 2007 Preserving Aboriginal Heritage Symposium is underway and 54 experts have been invited as speakers (39 from Canada, 28 of whom are from First Nations and 15 from outside Canada, Metis and Inuit communities). An international workshop aimed at reducing risk to collections was held with participants from America, Europe, Australia and Asia. Seventeen national training workshops were given to 269 participants with a satisfaction rate of 99%.

A Collection Preservation Management Manual for heritage workers and volunteers is approximately 75% complete. Conservation documents were consulted on CCI's Web site more than 2 300 000 times.

First Nations, Inuit and Métis Languages

Today, over 60 languages are spoken by Canada's First Nations, Inuit, and Métis people, and among these languages, only three – Cree, Ojibway, and Inuktitut – are considered viable and relatively secure from extinction in the short term. The remaining languages are considered to be endangered, with most considered to be critically endangered. In 2006-07, the Department focused on working with its partners in the Aboriginal language community to identify opportunities for language preservation, revitalization and promotion.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Consult Aboriginal organizations on the development of the Government of Canada's response to the report issued by the Task Force on Aboriginal Languages and Cultures.

Results Achieved

Planned results for 2006-07 were achieved. Canadian Heritage's Aboriginal Peoples' Program consulted with Aboriginal organizations on the development of the Government of Canada's response to the report issued by the Task Force on Aboriginal Languages and Cultures. In November 2006, the Government of Canada also announced the renewal of $5 million per year for the Aboriginal Languages Initiative (ALI) until 2013-14. The stabilization of ALI funding enabled community-based language activities to continue while Canadian Heritage initiated work with national Aboriginal organizations to develop strategic language plans that will inform new approaches for support to First Nation, Inuit and Métis languages.

In 2006-07, $5 million was provided through the ALI to Aboriginal organizations that undertook and distributed funding to community-based language projects in over 200 communities across Canada to preserve, revitalize and promote First Nation, Inuit and Métis languages. Some of these projects supported community level activities such as: early childhood acquisition; promotional projects to encourage youth to learn and use the language; the development of new lexicons and dictionaries; the recording of endangered languages; and workshops bringing language practitioners to develop long-term plans for language revitalization. Many First Nation projects focused on critically endangered languages.

The Government of Canada also provided $4.1 million to support languages in Canada's North through accords with the governments of Yukon, Northwest Territories and Nunavut.

The preservation, revitalization and promotion is considered to be a long-term process, which will require sustained investments. The initiative is considered ongoing, and results will be long-term and incremental.

Program Activity 4

Access and Participation in Canada's Cultural Life

In addition to being part of the creative process, participation in Canada's cultural life can take a considerable variety of forms: reading, attending exhibitions or performances, learning through the Internet, listening to radio, watching films or television, visiting heritage sites, etc. Canadian Heritage helps to create the conditions for a wide access to and participation in the various modes of cultural exchange. The Department focuses on exposing individuals and communities to the wide array of cultural experiences, bridging challenges such as distance, community size, language and ethno-cultural diversity. The primary vehicles for engaging Canadians in cultural participation are arts activities, mass media, and heritage site and events.

> Did you know that with help from Canadian Heritage, two pioneering organizations, The Saskatchewan Native Theatre Company and the *Manitoba Theatre for Young People,* are providing young Aboriginal people in Winnipeg and Saskatoon with innovative training and experience in the theatre arts? Nearly 200 participants were introduced to performance as a channel for personal expression, a forum for community dialogue, and a pathway for career development.

The Department's efforts in this regard will yield an important result: Canadians have access to and participate in a diverse range of Canadian cultural experiences.

Canadian Periodical Policy

Canada's expansive geography scope and limited population base causes Canadian periodicals to be highly dependent on a strong, subscription-based domestic periodical industry. While recent evaluations of the Publications Assistance Program (PAP) and the Canada Magazine Fund (CMF) were positive, a review of federal funding initiatives in this area is required.

In this context, Canadian Heritage is reviewing how effectively its Canadian periodical programs and policy serve Canadians, and will make any necessary adjustments to ensure that they are effective in meeting Canadian Heritage policy goals.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The Department's review of its Canadian periodical support framework will lead to changes to ensure the programs remain relevant and that the program funding is as effectively targeted as possible.

Results Achieved

Planned results for 2006-07 were partially achieved. As a result of the Government of Canada's directive in December 2006, Canada Post will continue their financial partnership in the PAP and the program's budget will be stabilized at $60.4 million until April 2009. Industry reaction to the announcement was positive. The 1,161 magazines and non-daily newspapers supported through the program received stable funding in 2006-07 and will not experience major cuts in 2007-08 or 2008-09. This decision will also help prevent widespread increases in subscription prices due to higher delivery costs.

Over 200 million copies of Canadian periodicals were delivered through the PAP in 2006-07. Formal consultations with stakeholders have yet to be undertaken. The full review is expected to be completed by April 2009.

Canadian Content Online

Since 2001, the Canadian Culture Online (CCO) Strategy has been a primary instrument to help ensure Canadians have access through the Internet, and through other delivery vehicles such as cellphones and MP3 players, to Canadian cultural content in both French and English.

Given the dynamic nature of digital interactive media, Canadian Heritage is undertaking a review of the Canadian Culture Online Strategy. The review was initiated by an evaluation of the support program for the new media sector – the Canada New Media Fund – in 2005.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The assessment of support mechanisms under the CCO Strategy will be key to providing Canadians with access to diverse and quality Canadian content in the online space that Canadians need and want.

Results Achieved

Planned results for 2006-07 were partially achieved. The Department's Audit and Evaluation Committee approved the evaluation of the Canada New Media Fund and the management response in December 2006. The Department met with industry stakeholders in the fall of 2006 to discuss a set of proposed changes to the Canada New Media Fund but the process of finalizing a revised strategy for support to the new media industry has not been completed.

In 2006-07, through the CCO Strategy, a total of $53.4 million in funding support was approved for 221 projects and initiatives that included: content creation projects that reflect our diversity of cultures and heritage; activities that support the Department's two cultural portals (Culture.ca and the Virtual Museum of Canada) and projects that facilitated the sustainability of the Canadian new media sector.

Projects with broad appeal have received many visits, such as *The Canadian Encyclopedia Online* (6.8 million visits), the CBC/Radio-Canada Archives sites (3.2 million visits) and the

McCord Museum's *Keys to History* site (close to 1 million visits). The majority of projects reported much lower statistics, which can be expected from projects that target specific niches or communities, such as the *Deafplanet* website (8,000 visits).

The creation of effective thematic research networks and partnerships have brought together 68 Canadian research institutions and new media organizations, which have actively collaborated on the development of numerous innovative tools and applications in support of the creation, management and distribution of digital cultural content.

Canada Travelling Exhibition Indemnification Program

The Canada Travelling Exhibition Indemnification Program was implemented following the adoption of the *Canada Travelling Exhibition Indemnification Act*, which came into force on December 15, 1999. Under the auspices of the program, the Government accepts the financial risk of loss or damage associated with major traveling exhibitions in Canada.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The key result of this initiative is to increase opportunities for Canadians to access Canadian and international cultural heritage through the exchange of artefacts and exhibitions in Canada.

Results Achieved

Planned results for 2006-07 were achieved. Most visitor numbers for indemnified travelling exhibitions circulating in 2006-07 have been received, but not all individual data has been yet submitted by client institutions. To measure exhibition impact and improve data collection, a post-exhibition survey tool, including the number of visitors, was developed in 2006-07 for implementation in 2007-08. Future letters of approval to successful applicants will stipulate that completion of the survey is a prerequisite.

In 2006-07, a total of 12 new travelling exhibitions were indemnified for presentation at 16 different venues. Using a cost-saving formula developed by the program and sanctioned by both the program evaluator and the insurance industry, the program achieved $ 1.7 million insurance savings for host institutions.

A report on first five years of the program's operation was compiled and submitted to the House of Commons Standing Committee on Canadian Heritage. An analysis program parameters was provided in the report. The program continues to monitor the impact of current liability ceilings and is assessing the current list of risks excluded from indemnification.

Strategic Outcome 2

Strategic Outcome 2: Canadians Live in an Inclusive Society Built on Inter-cultural Understanding and Citizen Participation

The Department's activities focus on inclusion and participation in Canadian life while reinforcing core values and shared citizenship. The Department also works to connect Canadians across their differences through inter-cultural exchange, helping to reduce the tensions that could otherwise divide us and to respond to both the challenges and opportunities of an increasingly diverse society. When Canadians come together in acceptance of their differences, cultural expression becomes richer in quality and quantity, new audiences can be reached, institutions can be more responsive and sustainable, and opportunities for excellence in all cultural spheres are maximized.

Three program activities of the Department's Program Activity Architecture work to achieve Strategic Outcome 2 and its related priorities. The table below provides the total planned financial and human resources for the Department's second strategic outcome, which is the sum of resources allocated to three program activities.

Financial and Human Resources for Strategic Outcome 2 - 2006-07		
Program Activity	**Actual Spending ($ millions)**	**Actual Full-Time Equivalents**
5. Promotion of Inter-cultural Understanding	146.2	124
6. Community Development and Capacity-Building	244.1	161
7. Participation in Community and Civic Life	204.9	500
Total	**595.2**	**785**

Program Activity 5

Promotion of Inter-cultural Understanding

Canadian Heritage fosters inter-cultural understanding by generating opportunities for Canadians to share experiences and learn about each other's cultures. One of the ways this is done is through the promotion of linguistic duality and of learning Canada's two official languages. The Department also supports initiatives that promote cross-cultural understanding within and between communities. With attention to the unique opportunities generated by sport activities in Canada, the Department promotes diversity as a means of enhancing inter-cultural experiences and understanding.

Do you know how a group of 13 to 17 year-old Montrealers from a variety of cultural backgrounds got involved in educating young people about the impact of street gangs in the Bordeaux-Cartierville neighbourhood? They did this simply by creating a magazine, *Authentik,* exploring topics of interest to young people such as resisting peer pressure. Funded by Canadian Heritage, this project was such a success that a major pharmacy chain sponsored the magazine and distributed it for free.

By promoting inter-cultural understanding, the Department expects to foster a society where Canadians interact across diverse communities and value the diversity and linguistic duality of Canadian society.

Second-language learning agreements

Over the past 35 years, the Government of Canada has provided financial assistance to the provinces and territories to help them offer second-language learning programs. Learning the second official language gives Canadians, whether French- or English-speaking, an appreciation of the other group's reality, thereby enhancing Canada's linguistic duality. Through its Enhancement of Official Languages program, the Department continues to work with the provinces and territories to support the instruction of English and French as second official languages, while pursuing the objective of doubling the proportion of Canadian youth between 15 and 19 years old who have a working knowledge of both official languages.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The planned result of this initiative is to increase the proportion of Canadians who have a working knowledge of both official languages and a greater understanding and appreciation of the benefits of linguistic duality in the short term.

Results Achieved

Planned results for 2006-07 were achieved. The Department continued to work with provinces and territories in the area of second-language learning seeing that multi-year agreements in education signed in 2005-06 with provinces and territories were implemented during 2006-07.

The most recent data shows that the enrolments remained stable. Over 2.3 million young Canadians (47.5%) studied English or French as their second language in 2003-04, compared to 2.25 million in 2001-02. There were over 367,000 students enrolled in French-immersion programs in 2003-04, compared to 290,000 in 2001-02.

In 2006-07, 8 projects were supported as part of the second-language instruction component for a total of $635,000. Moreover, 17 projects were supported as part of the linguistic duality promotion component for a total of $2,169,694.

Opportunities were given to 12,000 young Canadians to appreciate linguistic duality through activities stemming from various official-languages programs: language bursary programs Destination Clic et Explore, in-class language monitor programs Accent and Odyssey, Young Canada Works in Both Official Languages and youth forums.

Multiculturalism Program

The Multiculturalism Program continues to focus on identifying the barriers faced by ethno-cultural/racial communities by supporting activities that include specific interventions and leadership at the federal level. Particular emphasis is placed on youth in these communities and on the removal of barriers that limit the economic, social, political and cultural participation of these communities in Canada.

> Did you know that in 2006-07, the *Alberta International Medical Graduates Association* worked to address the shortage of foreign-trained medical graduates in Canadian residency programs in Alberta? With Canadian Heritage support, the Association is working with government partners and professional associations to remove the barriers which prevent or delay the recognition of foreign medical credentials and the Canadian accreditation of highly skilled professionals trained abroad.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

By broadening the reach to ethno-cultural/racial communities through targeted interventions and effective partnerships, towards achieving fuller participation of these communities in all aspects of Canadian society, the Department will further help to create a cohesive society. Eliminating barriers to participation will help Canadians of all backgrounds contribute to Canada's economy, political landscape, and to build a welcoming respectful society.

Results Achieved

Planned results for 2006-07 were partially achieved. Several initiatives showed interesting results. Capacity Canada Roundtable, a national network of internationally educated/trained professionals promoting greater access to professions and trades, saw significant results in areas such as engineering and nursing.

Ethno-cultural/racial minority youth at the senior high school level were encouraged to participate in the journalism profession through the Young People's Press Diversifying Canada's Newsrooms project.

The Multiculturalism Internship pilot projects sponsored by the Success Skills Centre in Winnipeg and Costi-IIAS Immigrant Services in Toronto are supporting the skills development of ethno-cultural minority youth who are experiencing barriers to employment.

The reach of the Racism Stop It! National Video Competition and the Mathieu Da Costa Challenge were significantly broadened through the support of partnerships with other agencies and corporations such as the National Film Board of Canada, CBC/Radio-Canada, and Canada Post.

The Program also reached out to more than 46 000 Canadians, in particular youth, through the delivery of 29 national initiatives involving public education events celebrating Black History Month and Asian Heritage Month.

A collaborative framework with the National Crime Prevention Centre, Public Safety Canada, resulted in funding support for initiatives such as the League for Human Rights of B'nai Brith Canada project and the Third International Symposium on Hate on the Internet.

Program Activity 6

Community Development and Capacity-Building

Aboriginal and official languages communities play a uniquely important role in Canada as part of the fabric that has shaped Canadian society since its beginning. Canadian Heritage supports the development of Aboriginal organizations with programs that build on the cultural strengths of Aboriginal peoples and help Aboriginal communities and networks to thrive. Canadian Heritage also supports the development of official-language minority communities by enhancing their participation in different sectors of society and by working to ensure their vitality in all parts of the country.

This program activity seeks to advance the cultural vitality of Canada's official languages minority and Aboriginal communities.

> Did you know that, with Canadian Heritage support, the Inuit Heritage Trust completed the research and consultation for *Moving Forward (Sivumut Kajusining): From Plan to Action?* This is a project designed to address the training needs of Nunavut's heritage sector and provide the necessary tools to allow Nunavut's people the ability to manage their own heritage resources.

Development of Official-language Minority Communities

For the past 35 years, the Government of Canada has provided financial assistance to the provinces and territories to help them offer minority-language education programs. Canadian Heritage encourages provincial and territorial governments and other federal agencies to provide communities with programs and services in areas deemed to be a priority for their development. Through its Development of Official-Language Communities program, the Department continues working with its many partners, with a particular emphasis on pursuing the education objective, which is to increase the overall proportion of eligible students enrolled in minority-language schools in Canada.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The planned result of this initiative is to provide official-language communities with greater access to programs and services in their language through various community and government bodies.

Results Achieved

Planned results for 2006-07 were achieved. The multi-year agreements on education reached with the Council of Ministers of Education Canada and the provinces and territories in 2005-06 over a four-year period were implemented in 2006-07, and nine complementary project agreements were reached, including six involving school-community space initiatives. Since 2005-06, federal-provincial/territorial co-operation agreements involving services were signed with each province and territory, including the signing in 2006-07 of the first agreement on English-language services with Quebec since 1999.

> Did you know that a pilot project to develop and implement an integrated service delivery centre for Government of Canada programs and services to actively offer products, programs and services in French to the minority official language community of the Port au Port Peninsula was funded by seven federal partners under the leadership of Canadian Heritage and the province of Newfoundland and Labrador?

Efforts focussed on two major initiatives to co-ordinate activities undertaken with federal departments and agencies: federal institution awareness was raised through over 45 presentations given by the Department on the *Act to amend the Official Languages Act*; and federal institutions and the Department were better equipped to report on the results of their community development and duality promotion activities.

In co-operation with Decima Research, the Department conducted a [survey on Canadians' perceptions of official languages](), polling 2,073 members of minority communities and 1,259 respondents from majority communities. Preliminary analysis showed that Canadians have maintained or increased their support for policies and programs aimed at fostering minority-community development. Of all respondents, 62% believe that the Government of Canada's official-languages policy strengthens national unity, an increase of 6% over 2002. As well, 91.5% of minority respondents believe that the Government of Canada has a key role in supporting minority-community development, and 73.8% say they are satisfied with the services available in their language, in their region.

The Department supported the development of other performance measurement instruments, including the signing of a contract with the Council of Ministers of Education, Canada, for the preparation and release of two Canada-wide reports (2007-08 and 2009-10) on the implementation of provincial and territorial action plans for official-language education.

Program Activity **7**

Participation in Community and Civic Life

An inclusive society means that all Canadians feel that they have a stake in their communities and their country; they can participate and feel that their contribution matters. Canadian Heritage programs and activities contribute to this goal by helping to address some of the key impediments to community and civic participation. This is done through initiatives that educate Canadians about their country and their citizenship, both at home and abroad, while helping to educate the rest of the world about Canada. It is also achieved through the development of sport participation and volunteerism in communities. Youth programs generate opportunities and encourage participation. Targeted measures for ethno-cultural and ethno-racial communities assist these groups to more effectively

> Did you know that _ArtReach Toronto_ is a three-year pilot initiative that uses the arts to engage at-risk youth and increase their connection to their communities? The initiative is a successful collaboration between all levels of government, as well as community and arts granting organizations to provide funding to support arts-based projects that not only encourage creative expression but also foster meaningful youth engagement in local communities.

participate into all aspects of Canadian life. Targeted measures for Aboriginal communities, including Aboriginal youth and women, support the participation of Aboriginal peoples and build upon Aboriginal cultures.

As a result of the activities that foster participation, the Department will become more engaged in Canada's communities and civic life.

Canada's Action Plan Against Racism

In their commitment to combat racism and nurture a more inclusive society, Canadian Heritage and key federal partners are working to implement initiatives announced in A Canada for All: Canada's Action Plan Against Racism. These initiatives aim to help Canadian families and communities by addressing gaps in federal programs and by eliminating systemic barriers. They focus on the settlement of new citizens, and the promotion of institutional change within public institutions to remove systemic barriers.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The key result for the Action Plan is that by combating racism, Canadians, regardless of race, ethnicity, cultural or religious background, are better able to participate in and contribute to Canadian society and achieve their full potential. To measure the Action Plan's impact, the Department will develop success indicators and consult Canadians to solicit their feedback.

Progress will be reported in the *Annual Report on the Operation of the Canadian Multiculturalism Act*.

Results Achieved

Planned results for 2006-07 were partially achieved. Performance indicators have been identified for the Action Plan but more work was needed to refine them, which was carried forward into spring 2007. In addition, the development of a framework for baseline data collection began in 2006-07. Actual data collection will not be completed until fall 2007.

Horizontal governance structures have been developed, including a performance measurement and reporting framework, to coordinate the overall Action Plan across departments. A consultation strategy was developed and three discussion sessions were held in the fall of 2006 to further increase awareness about the Action Plan and to gain stakeholder perspectives on measuring progress.

Statistics Canada released hate crimes data for London and Ottawa on February 6, 2007. The release of this data provided an opportunity to highlight the Action Plan's national strategy for the collection of hate crimes data, as well as illustrate concrete progress in the implementation of one of its initiatives. Activities of the Inclusive Institutions Initiative are ongoing and matching funds continue to be provided to federal institutions for projects that assist them in promoting policies, programs and services that are sensitive and responsive to Canada's rapidly growing diversity.

Historical Redress

The historical redress initiative responds to the Government of Canada's commitment to recognize the historical experiences of ethno-cultural communities impacted by wartime measures and/or immigration restrictions that, while legal at the time, are not consistent with the values held by Canadians today. It also relates to the Government of Canada's commitment to the Chinese community and all Canadians to provide appropriate acknowledgment and symbolic *ex gratia* payments related to the Chinese Head Tax.

**Planned Results** (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The key result for the initiative will be: symbolic *ex gratia* payments to those who were required to pay the Chinese Head Tax and to the spouses of Head Tax payers who have since passed away; the establishment of a fund for community projects aimed at acknowledging the impact of past wartime measures and immigration restrictions on ethno-cultural communities; and the development of a national historical recognition program to fund federal initiatives.

Results Achieved

Planned results for 2006-07 were partially achieved. As promised in the 2006 Speech from the Throne, on June 22, 2006, the Government of Canada made an official apology for the implementation of the Chinese Head Tax. In 2006-07, 42 *ex gratia* payments totalizing $840,000 were made to Head Tax Payers and 119 *ex gratia* payments totalizing $2,380,000 were made to conjugal partners of now deceased Head Tax Payers, for a total of 161 payments and $3,220,000.

A $24 million Community Historical Recognition Program was developed and a $10 million National Historical Recognition Program was developed, but details have not been finalized. These programs are expected to be launched in 2007.

Opportunities for Sport Participation

The Department of Canadian Heritage recognizes the contribution of sport participation to achieving wider societal goals including public health and community development. Using the framework provided by the Canadian Sport Policy and the objectives set out in the *Physical Activity and Sport Act* and the *Department of Canadian Heritage Act*, the Department is developing initiatives to increase opportunities for sport participation among children, youth and under-represented groups, including Aboriginal peoples and persons with a disability.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The key goal of the [Department's activities in the area of sport participation](#) is increased sport participation by Canadians, including Aboriginal peoples and persons with a disability.

Results Achieved

Planned results for 2006-07 were achieved. The Department began the implementation of the Policy on Sport for Persons with a Disability and Policy on Aboriginal Peoples' Participation in Sport, and supported 12 federal/provincial/territorial (FPT) bilateral agreements to increase sport participation levels and 11 FPT bilateral agreements to encourage and support greater participation of aboriginal people in sport. Baseline data is being collected to enable the ongoing monitoring of progress-to-date toward targets in measuring the participation in sport of children and youth, and girls and women.

Canadian Heritage assisted Finance Canada and the Canada Revenue Agency to develop the definition of physical activity programs eligible for the Children's Fitness Tax Credit identified in the 2006 Budget speech. As well, the Department worked with the Public Health Agency of Canada to revitalize ParticipAction to promote physical activity and sport participation, and contributed content and financial support to WinterActive and SummerActive promotional campaigns for physical activity and sport.

The Department participated in Health Canada's interdepartmental work group on the Aboriginal Youth Suicide Prevention Strategy leading to the acceptance of sport participation as one of the

important tools to address this health crisis. The Department also began exploring with the Office of the Governor General how sport participation can help bring diverse Canadian youth together. The FTP governments have approved a Long Term Athlete Development (LTAD) implementation plan to better enable Canadians to participate and excel in lifelong sport.

400th Anniversary of Québec in 2008

[Canada 2004-08](#) is a five-year plan to commemorate Canada's national anniversaries. This plan identified the celebration of the 400th anniversary of the founding of Québec City in 1608, Canada's oldest city, as a key commemorative event.

The Department is coordinating federal involvement in this event through working with federal departments and agencies, provincial governments, municipalities and other partners, including the Société du 400e anniversaire de Québec.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

As a result of this key initiative, Canadians will have increased opportunities to learn about and celebrate Canada's first city and permanent settlement of la Francophonie in North America.

Results Achieved

Planned results for 2006-07 were achieved. A multiyear contribution agreement with the Société du 400e anniversaire de Québec was signed on August 23, 2006. In 2006-07, Canadian Heritage contributed \$7 050 000 to this initiative. The management and monitoring of the contribution agreement with the Société du 400e annniversaire de Québec is underway and bi-weekly meetings with the federal, provincial, municipal commissioners and the Société du 400e anniversaire de Québec are being held.

Committees have been put in place to collaborate and coordinate with other federal departments, including: Committee of Assistant Deputy Ministers; Directors General Communications Working Group; Federal Coordination Committee and Federal Communications Coordination Sub-Committee.

Canada's Participation in International Expositions

Canadian Heritage plans and manages Canada's participation in <u>International Expositions</u> in close collaboration with other federal departments, provinces and territories, and key partners in the private sector. This includes the upcoming exposition planned for Shanghai in 2010 and the support of the Government of Canada for a proposal for Toronto to prepare a bid for 2015.

In support of the objectives set out in the Policy Framework on <u>International Expositions</u> (1995), the Department will develop an approach for Canada's participation in future recognized and registered expositions by the Bureau international des expositions (BIE) – the body that controls the frequency and the quality of international expositions, of which Canada is a member.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

This initiative is expected to achieve two results: Canada's interests abroad are broadened and asserted through its participation at international expositions sanctioned by the BIE; and Canadians participate in projecting Canada's interests in the world through international expositions.

Results Achieved

Planned results for 2006-07 were achieved. In 2006, Canada declined the invitation to participate in the 2008 International Exposition in Zaragoza, Spain and accepted the invitation from the Premier of the State Council of the People's Republic of China to participate in Expo 2010 in Shanghai. The scope and thematic approach of Canada's pavillion and overall participation was developed in harmony with the general theme of Expo 2010: Better City, Better Life. The development of a risk management plan for Expo 2010 is underway. Expo 2010 is expected to be the world's largest Expo ever, in terms of participation and attendance.

The Toronto proposal for the 2015 International Exposition was analyzed and a pan-federal response was negotiated and coordinated. The federal government agreement was to commit $600 million for existing federal policy obligations related to hosting an international expo in Canada, such as essential federal services, federal presence and support for developing countries. Unfortunately, as neither the municipality nor the province of Ontario would assume responsibility for any potential deficit, it was not possible to forward the Toronto proposal to the BIE.

2010 Games: Strategic Opportunities Initiative

The Government of Canada is a key partner in planning the 2010 Olympic and Paralympic Winter Games to be held in Vancouver and Whistler, B.C. The 2010 Games Federal Secretariat, situated within Canadian Heritage, works closely with the Vancouver Organizing Committee and other Games partners, to ensure that the 2010 Winter Games are a success in the eyes of Canadians, and a credit to Canada abroad.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

The goals of the 2010 Federal Secretariat are that: Canadian excellence and values will be promoted nationally and internationally; sport, economic, social and cultural legacies will be established for the benefit of all Canadians, in alignment with federal policy objectives; and that early planning and seamless, cost-effective delivery of mandated federal responsibilities, including essential federal services, will contribute to high quality Games.

Results Achieved

Planned results for 2006-07 were achieved. Canadians of diverse origins have been engaged in the planning of 2010 Olympic and Paralympic Winter Games and have participated in various 2010 related activities thereby promoting sustainable sport, social, cultural, and economic benefits for all Canadians. The Government of Canada supported the signing by non-government partners of a Collaborative Protocol of Francophone communities to ensure representation of Canada's Francophonie in the hosting of the 2010 Winter Games.

Negotiations have been entered into with municipalities of Vancouver and Whistler to plan and implement Live Sites, which will be free public gathering spaces.

The 2010 Federal Secretariat actively participated in 2010 Partner bi-annual community update events in all Four Host First Nation communities, as well as provided ongoing support and monitoring for the Four Host First Nations Society.

Discontinued programs

As part of Expenditure Review, the Government of Canada announced on September 25, 2006, that four programs were discontinued: the Canada Volunteerism Initiative, the Acknowledgement, Commemoration and Education Program, the Community Participation Program and the Court Challenges Program.

Summary Table:
Results of All Key Initiatives

The Summary Table presents the results of all planned key initiatives as they were indicated in the *2006-07 Canadian Heritage Report on Plans and Priorities*. We have indicated results under the following 6 categories:

Results achieved were above planned results.	**Exceeded**
All planned results were achieved.	**Met**
Only some planned results were met.	**Partially met**
The initiative has been discontinued.	**Discontinued**
The initiative has been changed and new planned results were set.	**Modified**
Planned results were not achieved.	**Not met**

Strategic Outcome 1: Canadians Express and Share their Diverse Cultural Experiences with Each Other and the World

Program Activity 1: Creation of Canadian Content and Performance Excellence

Key Initiative:	
CRTC Report on the Impact of Technologies on Canadian Broadcasting	
Overall Results Achieved in 2006-07:	Met
Key Initiative:	
Canadian Television Fund New Governance Structure	
Overall Results Achieved in 2006-07:	Met
Key Initiative:	
High Performance Sport Programming and Technically Sound Sport Development	

Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *Benefits of Hosting*	
Overall Results Achieved in 2006-07:	Partially met

Program Activity 2: Sustainability of Cultural Expression and Participation

Key Initiative: *Telecommunications Policy Review Panel Response*	
Overall Results Achieved in 2006-07:	Met

Key Initiative: *Canadian Feature Film Policy*	
Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *Audio-visual Institutional Renewal: Telefilm Canada and National Film Board*	
Overall Results Achieved in 2006-07:	Modified

Key Initiative: *Centralization of Canadian Content Certification*	
Overall Results Achieved in 2006-07:	Modified

Key Initiative: *Virtual Museums of Canada's Further Enhancement*	
Overall Results Achieved in 2006-07:	Met

Key Initiative: *2010 Games: Strategic Opportunities Initiative*	
Overall Results Achieved in 2006-07:	Met

Key Initiative: *International Cultural Trade*	
Overall Results Achieved in 2006-07:	Modified

Key Initiative: *Develop and Implement an International Strategic Framework*	
Overall Results Achieved in 2006-07:	Met

Key Initiative: *Copyright Reform*	
Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions*	
Overall Results Achieved in 2006-07:	Exceeded

Key Initiative: *International Audio-visual Co-production Framework*	
Overall Results Achieved in 2006-07:	Modified

Program Activity 3: Preservation of Canada's Heritage

Key Initiative: *Canada's Museums*	
Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *Cultural Property Export and Import Act Review*	
Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *Canadian Conservation Institute: Returning to Full Function*	

Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *First Nations, Inuit and Métis Languages*	
Overall Results Achieved in 2006-07:	Met

Program Activity 4: Access and Participation in Canada's Cultural Life

Key Initiative: *Canadian Periodical Policy*	
Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *Canadian Content Online*	
Overall Results Achieved in 2006-07:	Partially met

Key Initiative: *Canada Traveling Exhibitions Indemnification Program*	
Overall Results Achieved in 2006-07:	Partially met

Strategic Outcome 2: Canadians Live in an Inclusive Society Built on Inter-cultural Understanding and Citizen Participation

Program Activity 5: Promotion of Inter-cultural Understanding

Key Initiative:	
Second-language Learning Agreements	
Overall Results Achieved in 2006-07:	Met
Key Initiative:	
Multiculturalism Program	
Overall Results Achieved in 2006-07:	Partially met

Program Activity 6: Community Development and Capacity Building

Key Initiative:	
Development of Official-language Minority Communities	
Overall Results Achieved in 2006-07:	Met

Program Activity 7: Participation in Community and Civic Life

Key Initiative:	
Canada's Action Plan Against Racism	
Overall Results Achieved in 2006-07:	Partially met
Key Initiative:	
Historical Redress	
Overall Results Achieved in 2006-07:	Partially met
Key Initiative:	
Opportunities for Sport Participation	
Overall Results Achieved in 2006-07:	Met

Key Initiative:

400th Anniversary of Québec in 2008

Overall Results Achieved in 2006-07:	Met

Key Initiative:

Canada's Participation in International Expositions

Overall Results Achieved in 2006-07:	Met

Key Initiative:

2010 Games: Strategic Opportunities Initiative

Overall Results Achieved in 2006-07:	Met

Discontinued programs in 2006-07

Canada Volunteerism Initiative

Acknowledgement, Commemoration and Education Program

Community Participation Program

Court Challenges Program

Section 3

SUPPLEMENTARY INFORMATION

2006-07 Canadian Heritage, Accountability Structure

Title	Financial Resources Actual Spending ($ millions)	Number of Full-Time Equivalents
Assistant Deputy Minister of Cultural Affairs	389.6	335
Assistant Deputy Minister of Citizenship and Heritage	584.2	480
Assistant Deputy of International and Intergovernmental Affairs and Sport	283.7	283
Assistant Deputy Minister of Public Affairs and Communications	80.7	683
Assistant Deputy Minister of Planning and Corporate Affairs (responsible for the Corporate Management with the Deputy Minister; the Associate Deputy Minister; the Executive Director, Portfolio Affairs; the Director General, Human Resources and Workplace Management; the Corporate Secretary; the General Counsel and the Ombudsman)	65.2	595

2006-07 Canadian Heritage Regional Offices Financial and Human Resources

Region	Operating and Management Resources ($ millions)	Number of Full-Time Equivalents
Atlantic Region Regional office with 3 district offices	4.847	65
Quebec Region Regional office with 1 district office	5.781	80
Ontario Region Regional office with 4 district offices	6.017	76
Prairies and Northern Region Regional office with 3 district offices	5.722	67
Western Region Regional office with 5 district offices	6.484	86
TOTAL	**28.831**	**374**

Financial Tables

NOTE
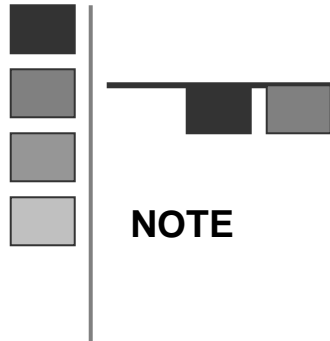
The following tables are not applicable to the Department:

- Table 7 – Revolving Fund

- Table 10 – Progress Against the Department's Regulatory Plan

- Table 11 – Details on Project Spending

- Table 12 – Status Report on Major Crown Projects

- Table 18 – Procurement and Contracting

- Table 21 – Travel Policies

- Table 22 – Storage Tanks
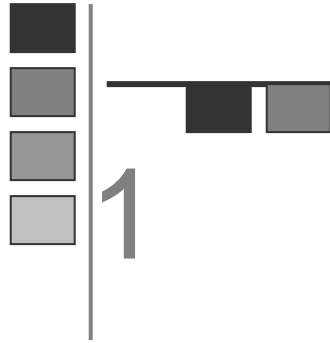
TABLE 1: Comparison of Planned to Actual Spending (including FTEs)

($ millions)	Actual 2004-2005	Actual 2005-2006	2006-07			
			Main Estimates	Planned Spending	Total Authorities	**Actual**
Business Lines:						
Cultural Development and Heritage	440.1	....	....	....	....	**....**
Canadian Identity	696.6	....	....	....	....	**....**
Corporate Management	131.4	....	....	....	....	**....**
Program Activities:						
Creation of Canadian Content and Performance Excellence	....	330.5	297.9	307.7	348.2	**353.3**
Sustainability of Cultural Expression and Participation	....	169.3	281.9	281.6	265.8	**246.2**
Preservation of Canada's Heritage	....	52.3	36.7	41.6	40.5	**45.6**
Access and Participation in Canada's Cultural Life	....	156.8	200.5	199.9	184.8	**163.1**
Promotion of Inter-Cultural Understanding	....	122.5	118.9	148.8	143.8	**146.2**
Community Development and Capacity Building	....	272.4	240.8	250.7	244.5	**244.1**
Participation in Community and Civic Life	....	175.3	207.9	241.7	231.4	**204.9**
Total	1,268.1	1,279.1	1,384.6	1,472.0	1,459.0	**1,403.4**
Less: Non-Respendable Revenues	71.5	80.1	62.0	62.0	79.8	**79.8**
Plus: Cost of services received without charge*	27.5	28.3	29.5	29.5	29.8	**29.8**
Total Departmental Spending	1,224.1	1,227.3	1,352.1	1,439.5	1,409.0	**1,353.4**
Full Time Equivalents	2,203	2,206	2,452	2,511	2,376	**2,376**

* Services received without charge include accommodations provided by Public Works and Government Services Canada, the employer's share of employees' insurance premiums, and expenditures paid by Treasury Board Secretariat (excluding revolving funds), Workers' Compensation coverage provided by Social Development Canada, and services received from the Department of Justice Canada (see Table 4).

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TABLE 2: Resources by Program Activity

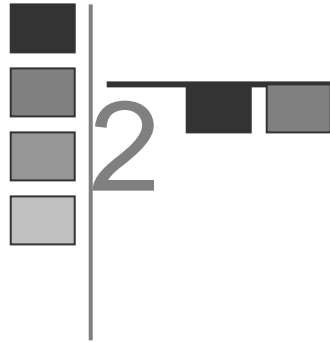| ($ millions)	2006-07							Plus: Non-Budgetary
	Budgetary							
Program Activities	Operating	Capital	Grants	Contributions and Other Tranfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments and Advances
Creation of Canadian Content and Performance Excellence								
Main Estimates	26.1	….	27.0	244.8	297.9	….	297.9	….
Planned Spending	*27.9*	*….*	*27.0*	*252.8*	*307.7*	*….*	*307.7*	*….*
Total Authorities	25.8	….	25.3	297.1	348.2	….	348.2	….
Actual Spending	**32.5**	**….**	**25.3**	**295.5**	**353.3**	**….**	**353.3**	**….**
Sustainability of Cultural Expression and Participation								
Main Estimates	58.1	….	23.1	204.0	285.2	3.3	281.9	….
Planned Spending	*57.8*	*….*	*23.1*	*204.0*	*284.9*	*3.3*	*281.6*	*….*
Total Authorities	58.3	….	20.6	190.2	269.1	3.3	265.8	….
Actual Spending	**62.8**	**….**	**20.6**	**166.3**	**249.7**	**3.5**	**246.2**	**….**
Preservation of Canada's Heritage								
Main Estimates	21.0	….	….	16.8	37.8	1.1	36.7	….
Planned Spending	*21.0*	*….*	*….*	*21.7*	*42.7*	*1.1*	*41.6*	*….*
Total Authorities	20.9	….	….	20.5	41.4	0.9	40.5	….
Actual Spending	**25.4**	**….**	**….**	**20.5**	**45.9**	**0.3**	**45.6**	**….**
Access and Participation in Canada's Cultural Life								
Main Estimates	77.7	….	59.1	64.7	201.5	1.0	200.5	0.01
Planned Spending	*77.1*	*….*	*59.1*	*64.7*	*200.9*	*1.0*	*199.9*	*0.01*
Total Authorities	67.8	….	48.8	69.2	185.8	1.0	184.8	0.01
Actual Spending	**48.9**	**….**	**48.7**	**66.4**	**164.0**	**0.9**	**163.1**	**0.00**
Promotion of Inter-cultural Understanding								
Main Estimates	13.1	….	5.6	100.2	118.9	….	118.9	….
Planned Spending	*13.0*	*….*	*35.6*	*100.2*	*148.8*	*….*	*148.8*	*….*
Total Authorities	13.5	….	15.2	115.1	143.8	….	143.8	….
Actual Spending	**15.9**	**….**	**15.2**	**115.1**	**146.2**	**….**	**146.2**	**….**
Community Development and Capacity-Building								
Main Estimates	19.0	….	42.1	179.7	240.8	….	240.8	….
Planned Spending	*18.9*	*….*	*52.1*	*179.7*	*250.7*	*….*	*250.7*	*….*
Total Authorities	17.9	….	5.2	221.4	244.5	….	244.5	….
Actual Spending	**17.1**	**….**	**5.2**	**221.8**	**244.1**	**….**	**244.1**	**….**
Participation in Community and Civic Life								
Main Estimates	69.6	….	26.2	112.1	207.9	….	207.9	….
Planned Spending	*73.0*	*….*	*36.9*	*131.8*	*241.7*	*….*	*241.7*	*….*
Total Authorities	79.8	….	30.5	121.1	231.4	….	231.4	….
Actual Spending	**55.2**	**….**	**30.4**	**119.3**	**204.9**	**….**	**204.9**	**….**
Total Department								
Main Estimates	284.6	….	183.1	922.3	1,390.0	5.4	1,384.6	0.01
Planned Spending	*288.7*	*….*	*233.8*	*954.9*	*1,477.4*	*5.4*	*1,472.0*	*0.01*
Total Authorities	284.0	….	145.6	1,034.6	1,464.2	5.2	1,459.0	0.01
Actual Spending	**257.8**	**….**	**145.4**	**1,004.9**	**1,408.1**	**4.7**	**1,403.4**	**0.00**

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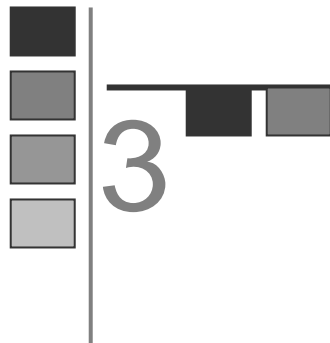
TABLE 3: Voted and Statutory Items

($ millions)	**2006-07**			
Voted and Statutory Items	Main Estimates	Planned Spending	Total Authorities	**Actual**
1 Operating Expenditures	249.6	253.1	252.6	**227.0**
5 Grants and Contributions	1,104.6	1,188.0	1,179.1	**1,149.1**
(S) Salaries of the Lieutenant-Governors	1.0	1.0	1.1	**1.1**
(S) Payments under the *Lieutenant-Governors Superannuation Act*	0.6	0.6	0.9	**0.9**
(S) Supplementary Retirement Benefits - Former Lieutenant-Governors	0.2	0.2	0.2	**0.2**
(S) Contributions to Employee Benefit Plans	28.5	29.0	25.0	**25.0**
(S) Minister of Canadian Heritage - Salary and Motor Car Allowance	0.07	0.07	0.08	**0.08**
Total	1,384.6	1,472.0	1,459.0	**1,403.4**
L15 Loans to Institutions and Public Authorities under the *Cultural Property Export and Import Act*	0.01	0.01	0.01	**0.00**
Total Department	1,384.6	1,472.0	1,459.0	**1,403.4**

The total variance of $55.6M between the 2006-07 authorities and the actuals is overstated by $40.9M which has been reprofiled to future years.
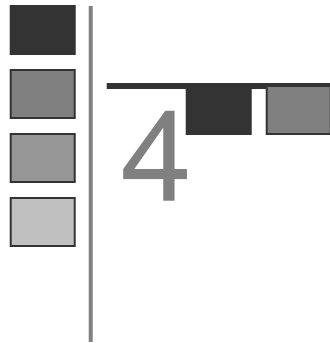
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TABLE 4: Services received without Costs

($ millions)	2006-07 Actual Spending
Accommodation provided by Public Works and Government Services Canada	**15.9**
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (excluding revolving funds)	**11.8**
Worker's compensation coverage provided by Social Development Canada	**0.05**
Salary and associated expenditures of legal services provided by Justice Canada	**2.0**
Total 2006-07 Services received without charges	**29.8**

5
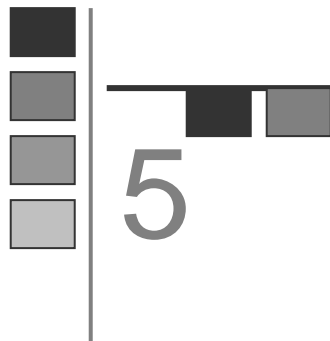
TABLE 5: Loans, Investments and Advances (non budgetary)

($ millions)			2006-07			
Program Activity	Actual 2004-05	Actual 2005-06	Main Estimates	Planned Spending	Total Authorities	**Actual**
Access and Participation in Canada's Cultural Life Loans to Institutions and Public Authorities under the *Cultural Property Export and Import Act*	--	--	0.01	0.01	0.01	**--**
Total - Department	--	--	0.01	0.01	0.01	**--**

6
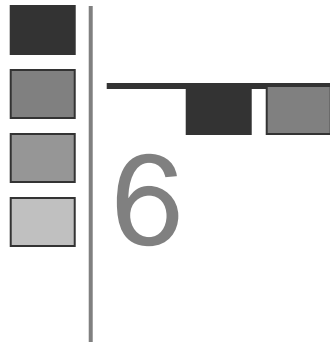
TABLE 6: Sources of Respendable and Non-Respendable Revenues

($ millions)			2006-07			
	Actual 2004-05	Actual 2005-06	Main Estimates	Planned Revenue	Total Authorities	**Actual**
Respendable Revenues						
Business Lines:						
Cultural Development and Heritage	4.3	--	--	--	--	**--**
Program Activities:						
Sustainability of Cultural Expression and Participation	--	3.4	3.3	3.3	3.3	**3.5**
Preservation of Canada's Heritage	--	0.5	1.1	1.1	0.9	**0.3**
Access and Participation in Canada's Cultural Life	--	1.0	1.0	1.0	1.0	**0.9**
Total - Respendable Revenues	4.3	4.9	5.4	5.4	5.2	**4.7**
Non-Respendable Revenues						
Federal-Provincial Lottery Agreement	60.5	62.1	62.0	62.0	62.8	**62.8**
Other Revenue	11.0	18.0	--	--	17.0	**17.0**
Total - Non-Respendable Revenues	71.5	80.1	62.0	62.0	79.8	**79.8**
Total Revenues	75.8	85.0	67.4	67.4	85.0	**84.5**

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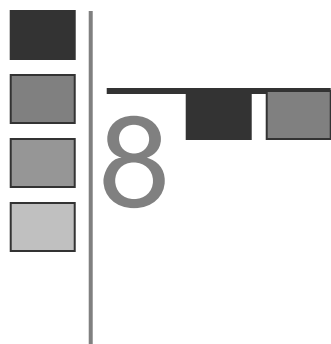
TABLE 8: Resource Requirements by Sector

($ millions)	2006-07 Program Activities							
Organization	**Creation of Canadian Content and Performance Excellence**	**Sustainability of Cultural Expression and Participation**	**Preservation of Canada's Heritage**	**Access and Participation in Canada's Cultural Life**	**Promotion of Inter-cultural Understanding**	**Community Development and Capacity Building**	**Participation in Community and Civic Life**	**TOTAL**
Cultural Affairs								
Planned Spending	174.1	80.8	3.4	163.2	0.0	0.0	0.2	421.7
Actual Spending	**194.9**	**74.8**	**1.2**	**117.9**	**0.1**	**0.1**	**0.6**	**389.6**
Citizenship and Heritage								
Planned Spending	0.0	5.3	30.0	15.3	144.1	243.8	158.4	596.9
Actual Spending	**0.2**	**14.5**	**33.2**	**12.1**	**138.5**	**234.5**	**151.2**	**584.2**
International and Intergovernmental Affairs and Sport								
Planned Spending	127.7	176.5	0.1	1.7	0.2	0.1	18.0	324.3
Actual Spending	**148.5**	**131.8**	**0.2**	**0.6**	**1.1**	**0.2**	**1.3**	**283.7**
Public Affairs and Communications								
Planned Spending	0.2	6.5	3.6	9.8	2.4	3.5	61.4	87.4
Actual Spending	**3.8**	**11.8**	**6.2**	**14.5**	**3.5**	**4.9**	**36.0**	**80.7**
Corporate Services								
Planned Spending	5.7	12.5	4.5	9.9	2.1	3.3	3.7	41.7
Actual Spending	**5.9**	**13.3**	**4.8**	**18.0**	**3.0**	**4.4**	**15.8**	**65.2**
TOTAL								
Planned Spending	307.7	281.6	41.6	199.9	148.8	250.7	241.7	1,472.0
Actual Spending	**353.3**	**246.2**	**45.6**	**163.1**	**146.2**	**244.1**	**204.9**	**1,403.4**

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TABLE 9-A-1: User Fees and Performance Standards - Access to Information and Privacy (ATIP)

A. User Fee	Fee Type	Fee Setting Authority	Date Last Modi-fied	2006-07					Planning Years		
				Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue ($000)	Estimated Full Cost ($000)
Fees charged for the processing of access requests filed under the *Access to Information Act*.	Other products and services	*Access to Information Act*	1992	See note 1	7	490	Response provided within 30 days following the request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. The *Access to Information Act* provides fuller details.	See note 2	2007-08	See note 3	490
						See note 4			2008-09	See note 3	See note 5
									2009-10	See note 3	See note 5

B. Date Last Modified: (Nil)

C. Other Information: (Nil)

* Note: According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004:

- Performance standard, if provided, may not have received parliamentary review;
- Performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (UFA) (e.g., international comparison, independent complaint address); and
- Performance results, if provided, are not legally subject to *User Fees Act* section 5.1 regarding fee reductions for failed performance.

Note 1: This figure cannot be provided, as revenue is based on actual information requests received under the *Access to Information Act*.
Note 2: Taking into account external factors, 90% of requests were completed within the prescribed timeframe.
Note 3: This figure cannot be provided, as revenue is based on actual information requests received under the *Access to Information Act*.
Note 4: This figure consists of salary and O&M costs in relation to the administration of the *Access to Information Act*.
Note 5: Budget information not provided in advance. Cannot provide figures for 2008-09 and 2009-10.
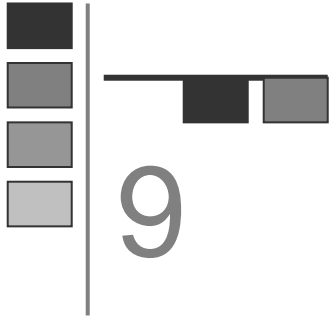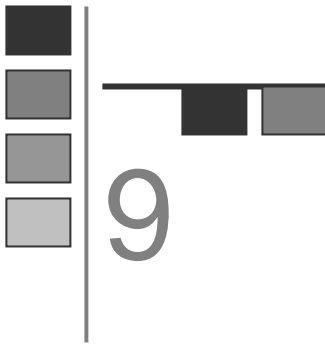
9

TABLE 9-A-2: User Fees and Performance Standards - Canadian Audio-Visual Certification Office (CAVCO)

A. User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2006–2007					Planning Years		
				Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue ($000)	Estimated Full Cost ($000)
Processing Fees	Regulatory Fee	*Department of Canadian Heritage Act*	March 2004	3,150	3,525	3,179	Issuing certificates 8-10 weeks from the date the application is received and deemed complete.	CAVCO was able to issue the certification within this period 90% of the time.	2007-08	3,500	3,300
									2008-09	3,500	3,500
									2009-10	3,500	3,500

B. Date Last Modified: March 2004

C. Other Information: (Nil)

9

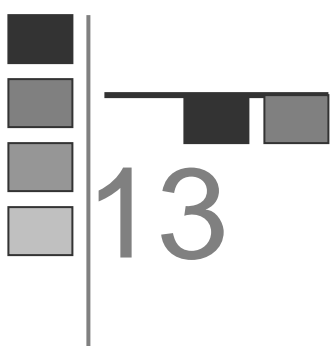## TABLES 9-B-1, 2, 3 and 4: External Fees and Service Standards

More information on tables 9-B-1, 2, 3 and 4 is available on line.

TABLE 9-B-1: Access to Information and Privacy (ATIP)

TABLE 9-B-2: Canadian Audio-Visual Certification Office (CAVCO)

TABLE 9-B-3: Canadian Conservation Institute (CCI)

TABLE 9-B-4: Canadian Heritage Information Network (CHIN)

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TABLE 13: Details on Transfer Payment Programs

Name of Transfer Payment Programs (above $5 million)	Amount of Grants ($ millions)	Amount of Contributions ($ millions)	Total ($ millions)
Aboriginal Peoples' Program (including Young Canada Works)	0.6	65.2	65.8
Acknowledgement, Commemoration and Education	0.0	0.0	0.0
Arts Presentation Canada Program	0.0	22.1	22.1
Athlete Assistance Program	25.3	0.0	25.3
Book Publishing Industry Development Program (BPIDP)	0.0	36.9	36.9
Canada Magazine Fund	0.0	15.6	15.6
Canada Music Fund	0.0	23.2	23.2
Canada New Media Fund	0.0	14.0	14.0
Canadian Arts and Heritage Sustainability Program	15.4	8.3	23.7
Canadian Television Fund	0.0	120.0	120.0
Celebration, Commemoration and Learning Program	2.1	11.6	13.7
Community Partnerships Program	0.0	7.9	7.9
Contribution in support of the Canadian Culture Online Program	0.6	14.5	15.1
Cultural Spaces Canada	0.3	19.8	20.1
Development of Official-Language Communities Program	5.2	216.3	221.5
Enhancement of Official Languages Program (including Young Canada Works)	0.2	118.5	118.7
Exchanges Canada Initiative	0.1	22.4	22.5
Grants/Contributions to TV5 Program	4.1	3.0	7.1
Hosting Program	0.0	126.5	126.5
Katimavik Program	0.0	17.5	17.5
Multiculturalism Program	0.6	8.6	9.2
Museum Assistance Program (including Young Canada Works)	1.6	8.2	9.8

Music Entrepreneur Program[1]	0.0	0.0	0.0
National Arts Training Contribution Program	0.0	17.0	17.0
	0.0	0.0	0.0
New Musical Works Program[2]			
Partnerships Fund[3]			
Publication Assistance Program	45.4	0	45.4
Sport Support Program	0.0	94.0	94.0
Total	**101.5**	**991.1**	**1,092.6**

All these transfer payment programs are voted, which means that each year the Parliament of Canada votes annual *Appropriation Act* or *Acts* to grant expenditure authority to the Crown for departments and agencies. This spending authorization lapses at year-end.

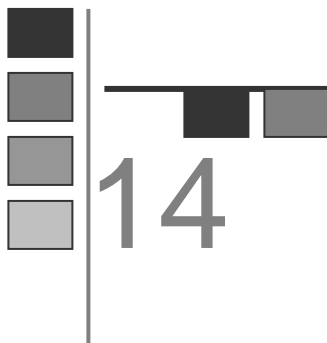More information on transfer payment programs is available on line.

14 **TABLE 14: Conditional Grants (Foundations)**

More information on Conditional Grants (Fondations) for the Department of Canadian Heritage, 2006-07 is available on line.

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[1] Music Entrepreneur Program is included under Canada Music Fund.
[2] New Music Works Program is included under Canada Music Fund.
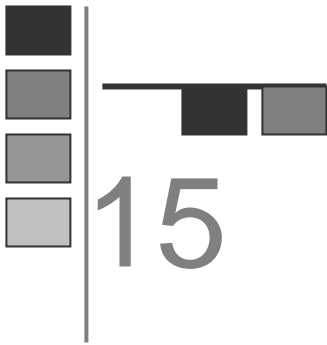[3] Partnerships Fund is included under Canadian Culture Online.

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TABLE 15: Financial Statements

CANADIAN HERITAGE

Financial Statements

March 31, 2007

Canadian Heritage

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with the management of Canadian Heritage. These financial statements have been prepared by management in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of Canadian Heritage's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in Canadian Heritage's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout Canadian Heritage.

The Canadian Heritage audit and evaluation committee is responsible for discussing and addressing issues arising from audits or evaluations regarding Canadian Heritage programs, services, policies or activities in order to improve the quality of the Department's program delivery, management practices, performance measurement and reporting.

The financial statements of Canadian Heritage have not been audited. La signature a été ajouté après la traduction.

Judith A. LaRocque

Deputy Minister

Bruce Manion *FCMA*

Senior Financial Officer

Gatineau, Canada

Date   July 30, 2007

Canadian Heritage
Statement of Financial Position
(unaudited)
as at March 31

(in thousands of dollars)	**2007**	**2006**
ASSETS		
Financial assets		
Accounts receivable and advances (Note 4)	5,768	1,836
Investment in Canadian Broadcasting Corporation	33,000	33,000
Total financial assets	38,768	34,836
Non-financial assets		
Prepaid expenses	1,498	438
Inventory	2,004	1,660
Tangible capital assets (Note 5)	16,962	15,895
Total non-financial assets	20,464	17,993
TOTAL ASSETS	59,232	52,829
LIABILITIES AND EQUITY OF CANADA		
Liabilities		
Accounts payable and accrued liabilities (Note 6)	579,978	560,370
Vacation pay	8,723	7,960
Deferred revenue (Note 7)	332	277
Pension accounts-Lieutenant Governors	235	245
Employee benefits (Note 8)	30,484	28,169
Other liabilities	9	11
Total liabilities	619,761	597,032
Equity of Canada	(560,529)	(544,203)
TOTAL LIABILITIES AND EQUITY OF CANADA	59,232	52,829

Contingent liabilities (Note 9)
Contractual obligations (Note 10)

The accompanying notes form an integral part of these financial statements.

Canadian Heritage
Statement of Operations
(unaudited)
for the year ended March 31

(in thousands of dollars)	2007	2006
		(Note 13)
Expenses (Note 11)		
Creation of Canadian Content and Performance Excellence	354,756	331,129
Sustainability of Cultural Expression and Participation	252,256	172,275
Community Development and Capacity Building	245,869	277,945
Participation in Community and Civic Life	210,004	195,450
Access and Participation in Canada's Cultural Life	170,811	163,526
Promotion on Inter-cultural Understanding	147,574	124,618
Preservation of Canada's Heritage	45,826	50,260
Total expenses	1,427,096	1,315,203
Revenues		
Revenue from the 1979 Federal-provincial Lottery-agreement	62,653	61,996
Sale of goods and services	4,993	4,926
Miscellaneous revenues	333	156
Total revenues	67,979	67,078
Net Cost of Operations	1,359,117	1,248,125

The accompanying notes form an integral part of these financial statements.

Canadian Heritage
Statement of Equity of Canada
(unaudited)
for the year ended March 31

(in thousands of dollars)	2007	2006
Equity of Canada, beginning of year	(544,203)	(487,097)
Net cost of operations	(1,359,117)	(1,248,125)
Current year appropriations used (Note 3)	1,403,442	1,279,103
Revenue not available for spending (Note 3)	(62,806)	(62,143)
Change in net position in the Consolidated Revenue Fund (Note 3)	(27,615)	(54,141)
Services received without charge from other federal government departments (Note 12)	29,770	28,200
Equity of Canada, end of year	(560,529)	(544,203)

The accompanying notes form an integral part of these financial statements.

Canadian Heritage
Statement of Cash Flow
(unaudited)
for the year ended March 31

(in thousands of dollars)	2007	2006
Operating activities		
Net cost of operations	1,359,117	1,248,125
Non-cash items		
Amortization of tangible capital assets	(2,153)	(2,384)
Loss on disposal of tangible capital assets	(63)	(1)
Services received without charge (Note 12)	(29,770)	(28,200)
Adjustment to tangible capital assets	171	
Variations in Statement of Financial Position		
Increase (Decrease) accounts receivable and advances	3,932	(6,745)
Increase (Decrease) in prepaid expenses	1,060	(14,083)
Increase (Decrease) in inventory	344	(475)
Increase in liabilities	(22,729)	(39,374)
Cash used by operating activities	1,309,909	1,156,863
Capital investment activities		
Acquisition of tangible capital assets	3,122	5,969
Proceeds from disposal of tangible capital assets	(10)	(13)
Cash used by capital investment activities	3,112	5,956
Financing activities		
Net cash provided by Government of Canada (Note 3)	(1,313,021)	(1,162,819)

The accompanying notes form an integral part of these financial statements.

ANADIAN HERITAGE

1.   Authority and Objective

The Department of Canadian Heritage was established in 1995 under the *Department of Canadian Heritage Act*.

The Department of Canadian Heritage seeks to contribute to a cohesive and creative Canada in which all Canadians have opportunities to participate in Canada's cultural and civic life. The two strategic outcomes of the Department are:

- Canadians express and share their diverse cultural experiences with each other and the world; and
- Canadians live in an inclusive society built on inter-cultural understanding and citizen participation.

These strategic outcomes help give shape to policies, programs and services offered to Canadians related to broadcasting, cultural industries, arts, heritage, official languages, Aboriginal cultures and languages, Canadian identity, citizens' participation, youth, multiculturalism and sport. Expenses of these programs are reported in the Statement of Operations through the following seven program activities:

- Creation of Canadian Content and Performance Excellence
- Sustainability of Cultural Expression and Participation
- Community Development and Capacity Building
- Participation in Community and Civic Life
- Access and Participation in Canada's Cultural Life
- Promotion of Inter-cultural Understanding
- Preservation of Canada's Heritage

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

a) Parliamentary appropriations

The Department of Canadian Heritage is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Department do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

b) Net Cash Provided by Government of Canada

The Department of Canadian Heritage operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Department is deposited to the CRF and all cash disbursements made by the Department are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

c) Change in net position in the Consolidated Revenue

Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Department of Canadian Heritage. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

d) Accounts receivable

Accounts receivable are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

e) Investment in Canadian Broadcasting Corporation

The Department's investment in Canadian Broadcasting Corporation is recorded at cost. The net results of this Crown Corporation are not accounted for in the departmental financial statements, as the Department is not deemed to control this Crown Corporation.

f) Inventory

Inventory consists of material and supplies held for future program delivery and not intended for re-sale. They are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value.

g) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. The Department of Canadian Heritage does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Machinery and equipment	5 and 10 years
Informatics hardware	5 years
Informatics software	3 and 5 years
Motor Vehicles	7, 10 and 15 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Assets under construction	Once in service, in accordance with asset type

h) Employee future benefits

- Pension benefits: Eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Department of Canadian Heritage contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the Department to make contributions for any actuarial deficiencies of the Plan.

- Severance benefits: Employees are entitled to severance benefits, as provided for under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

i) Contingent liabilities

Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

j) Revenues

- Revenues are recognized in the year in which the underlying transaction or event occurred that gave rise to the revenues.

- Funds received from third parties for specified purposes are recorded upon receipt as deferred revenues and are recognized in the period in which the related expenses are incurred.

k) Expenses

Expenses are recorded on the accrual basis:

- Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements;

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement;

- Vacation pays are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

l) Foreign currency transactions

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect on March 31. Gains and losses resulting from the foreign currency transactions are presented under miscellaneous revenues and other expenses in the Statement of Operations and note 11 respectively.

m) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

n) Financial Instruments

The carrying amounts of the Department's accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short term maturity.

NADIAN HERITAGE

3. Parliamentary Appropriations

The Department of Canadian Heritage receives most of its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Department has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year appropriations used:

(in thousands of dollars)	2007	2006
Net cost of operations	1,359,117	1,248,125
Adjustments for items affecting net cost of operations but not affecting appropriations Add (less):		
Revenue not available for spending	62,806	62,143
Refund of prior year expenses	12,867	13,874
Prepaid expenses	1,060	(14,083)
Inventory	344	(475)
Outstanding respendable revenue	249	10
Adjustments to tangible capital assets	171	-
Disposal of non-capital assets	9	10
Advances	5	(87)
Services received without charge	(29,770)	(28,200)
Employee severance benefits	(2,315)	(3,577)
Amortization of tangible capital assets	(2,153)	(2,384)
Department of Justice legal fees	(1,187)	(922)
Vacation pay	(763)	(1,290)
Loss on disposal of tangible capital assets	(63)	(1)
Bad debt	(62)	(9)
	1,400,315	1,273,134
Adjustments for items not affecting net cost of operations but affecting appropriations Add:		
Acquisitions of tangible capital assets	3,122	5,969
Adjustment to tangible capital assets	5	-
	3,127	5,969
Current year appropriations used	1,403,442	1,279,103

b) Appropriations provided and used:

	Appropriations provided	
(in thousands of dollars)	**2007**	**2006**
Vote B120 - Operating expenditures	252,600	245,392
Vote B150 - Transfer payments	1,179,044	1,018,534
Statutory amounts	27,343	28,038
Loans-Cultural Property	10	10
Less:		
Appropriation available for the future years	(19)	(23)
Lapsed appropriations	*(55,536)	(12,848)
Current year appropriations used	1,403,442	1,279,103

    * Lapsed appropriations of $55,536 include $40,860 which has been transferred to future years.

c) Reconciliation of net cash provided by Government to current year appropriations used:

(in thousands of dollars)	**2007**	**2006**
Net cash provided by government	1,313,021	1,162,819
Revenue not available for spending	62,806	62,143
Changes in net position in the consolidated Revenue Fund		
Decrease (increase) in accounts receivable and Advances	(3,932)	6,745
Increase in liabilities	22,729	39,374
Receipts and expenditures not affecting appropriations	8,818	8,022
	27,615	54,141
Current year appropriations used	1,403,442	1,279,103

4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

(in thousands of dollars)	**2007**	**2006**
Accounts receivables from other federal government departments and agencies	4,419	807
Accounts receivable from external parties	1,972	1,596
Employee advances	26	25
Other advances	120	115
	6,537	2,543
Less: allowance for doubtful accounts on external receivables	(769)	(707)
Total	5,768	1,836

5. Tangible Capital Assets

(in thousands of dollars)

Capital asset class	Cost					Accumulated amortization					2007 Net book value	2006 Net book value
	Opening balance	Acqui-sitions	Adjust-ments	Dispo-sals	Closing balance	Opening balance	Amor-tization	Adjust-ments	Dispo-sals	Closing balance		
Machinery & equipment	6,682	971	54	15	7,692	3,771	520	7	1	4,297	3,395	2,911
Informatics hardware	6,732	811	58	30	7,571	4,779	661	12	1	5,451	2,120	1,953
Informatics software	3,685	105			3,790	2,520	542			3,062	728	1,165
Motor vehicles	2,093	68		72	2,089	1,263	134		52	1,345	744	830
Leasehold improvements	2,158	547	92	17	2,780	799	296	14	7	1,102	1,678	1,359
Assets under construction	7,677	620			8,297						8,297	7,677
Total	**29,027**	**3,122**	**204**	**134**	**32,219**	**13,132**	**2,153**	**33**	**61**	**15,257**	**16,962**	**15,895**

Amortization expense for the year ended March 31, 2007 is $2,153 million (2006 is 2,384 million)

6. Accounts Payable and Accrued Liabilities

(in thousands of dollars)	2007	2006
Payable to external parties	565,649	548,743
Payable to other federal government departments and agencies	10,044	7,836
Accrued salaries, wages and employee benefits	4,268	3,782
Sales tax payable	17	9
Total	**579,978**	**560,370**

7. Deferred Revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from cost-sharing agreements, which are restricted to fund the expenditures related to the projects. Revenue is recognized each year in the amount of the expenditures incurred. Details of the transactions related to this account are as follows:

(in thousands of dollars)	2007	2006
Balance, beginning of year	277	904
Funds received	504	707
Revenue recognized	(449)	(1,334)
Balance, end of year	**332**	**277**

8. Employee Benefits

(a) Pension benefits: The Department's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years or earning. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Department contribute to the cost of the Plan. The 2007 expense amounts to $24,954 million ($26,253 million in 2006), which represents approximately 2.2 times (2.6 times in 2006) the contributions by employees.

The Departments responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Department provides severances benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

(in thousands of dollars)	2007	2006
Accrued benefit obligation, beginning of year	28,169	24,592
Expense for the year	3,982	5,687
Benefits paid during the year	(1,667)	(2,110)
Accrued benefit obligation, end of year	30,484	28,169

9. Contingent Liabilities

Claims have been made against the Department in the normal course of operation. Legal proceeding for claims totaling approximately $ 189,000 ($150,000 in 2006) were still pending at March 31, 2007. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

10. Contractual Obligations

The nature of the Department's activities can result in some large multi-year contracts and obligations whereby the Department will be obligated to make future payments. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2008	2009	2010	2011	2012 and thereafter	Total
Transfer payments	318,000	322,000	40,000	3,000	1,000	684,000

11. Expenses

The following table presents details of expenses by category:

(in thousands of dollars)	2007	2006 (Note 13)
Transfer payments		
Non-profit organizations	707,623	582,425
Other levels of government within Canada	299,292	297,744
Industry	100,291	95,091
Individuals	27,084	27,141
Other countries and international organizations	6,505	6,054
Total transfer payments	1,140,795	1,008,455
Salaries and employee benefits	192,559	189,507
Professional services	33,677	53,061
Accommodation	15,939	15,200
Utilities, materials and supplies	13,591	13,654
Travel and relocation	8,085	11,581
Information	8,132	10,216
Freight and communications	4,595	5,434
Rentals	1,784	3,113
Amortization	2,153	2,384
Repairs and maintenance	1,897	1,626
Loss on disposal of capital assets	63	1
Other operating expenses	3,826	971
Total operating expenses	286,301	306,748
Total Expenses	1,427,096	1,315,203

12. Related party transactions

The Department is related as a result of common ownership to all Government of Canada departments, agencies and crown corporations. The Department enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Department received services which were obtained without charge from other federal government departments as presented in part (a).

Services provided without charge:

During the year the Department received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Department's Statement of Operation as follows:

(in thousands of dollars)	2007	2006
Accommodation	15,939	15,200
Employer's contribution to the health and dental insurance plans	11,845	11,400
Legal services	1,986	1,600
Total	29,770	28,200

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Publics Works and Government Services Canada, are not included as an expense in the Department's Statement of Operations.

13.   Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

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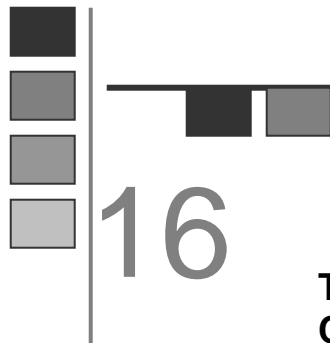
TABLE 16: Response to Parliamentary Committees, Audits and Evaluations

Responses to Parliamentary Committees, 2006-07

Fourth report of the Standing Committee on Canadian Heritage, *Report on the Canadian Feature Film Industry -- "Scripts, Screens and Audiences: A New Feature Film Policy for the 21st Century."*

The report was tabled on June 1, 2006, and contained 30 recommendations.

The Committee began its study of the Canadian film industry in February 2005, the purpose being to evaluate the federal government's Canadian feature film policy. After hearing more than 180 film industry witnesses, the Committee presented an interim report in June 2005 asking stakeholders for written responses to a series of targeted questions. This report contains statistical and economic data on the film industry, market shares and government support for Canadian cinema. It outlines the opinions expressed by the stakeholders on the interim report and compares assistance programs in Canada to those of other countries. Finally, it outlines 30 recommendations for preparing and implementing a new film policy, focusing primarily on the basic components for a new policy, the importance of governance and transparency, and the actions required to apply the new policy.

The Government's response was signed by Minister of Canadian Heritage and Status of Women and tabled on September 29, 2006.

Ninth report of the Standing Committee on Canadian Heritage, *Report on Museum Policy in Canada.*

The report was tabled on November 27, 2006, and contained one recommendation.

The Committee report refers to two motions adopted by the Committee and tabled in the House of Commons, one requesting the presentation of the new museum policy discussed in 2005, and the other, the reinstatement of the Museums Assistance Program, which was done away with as part of the expenditure review of the Government in September 2006. After hearing evidence from various Canadian museum associations, the Committee recommended that the Government present a new museum policy before the next budget.

The Government's response was signed by Minister of Canadian Heritage and Status of

Women and tabled on March 27, 2007.

Second Report of the Standing Senate Committee on Transport and Communications: *Final Report on the Canadian News Media.*

The report was tabled on June 21, 2006, and contained 40 recommendations and 10 proposals.

The Committee began the study in March 2003 and presented an interim report in May 2004. While the Committee's mandate originally covered the media at large, it soon chose to focus on the news media. The main issues in the study are technological innovation coupled with recent changes in ownership in the Canadian media sector. The report requests that the policy on the Canadian news media give greater consideration to the public interest, and makes recommendations on current policies supporting the news media and journalists and on the rights of linguistic minorities. It also considers self-regulation of the news media industry, permanent education for journalists and diversity in newsrooms. A number of recommendations call for amendments to the *Broadcasting Act*, the *Competition Act*, and the *Security of Information Act*. Some call for CRTC action in media company mergers and licensing conditions, and for empowering the CRTC to fine broadcasters. Finally, a few recommendations directly affect the Canadian Broadcasting Corporation's governance and mandate.

The [Government's response](#) was signed by Minister of Canadian Heritage and Status of Women and tabled on November 24, 2006.

Sixth Report of the Standing Senate Committee on Official Languages, *French-language Education in a Minority Setting: "A Continuum from Early Childhood to the Postsecondary Level".*

The report was tabled on June 14, 2005, and contained eight recommendations.

The report focuses essentially on education from early childhood (pre-kindergarten) to postsecondary school (college and university), treating education as a continuum to ensure and promote the development of minority Francophone communities. It looks at the challenges that must be faced to achieve results equivalent to those of the majority in providing education in French as the first language in a minority setting. Among its recommendations, the Committee asks the Government to conduct a national awareness campaign to ensure respect for language rights and a national information campaign on French education rights. The Government, it suggests, should include specific measures in memoranda and agreements, develop a national early childhood and primary, secondary and postsecondary education policy, and coordinate its policies at all levels.

The [Government's response](#) was signed by Minister of Canadian Heritage and Status of Women, Minister of International Cooperation and Minister for La Francophonie and Official Languages and Minister of Citizenship and Immigration Canada and tabled on November 2, 2006.

List of Evaluations, 2006-07

Arts, Culture and Diversity Program (June 28, 2006)

Atlantic Canada Cultural and Economic Partnership (June 28, 2006)

Canada New Media Fund (December 8, 2006)

Community Participation Program (including the Canada Volunteerism Initiative) (March 16, 2007)

Fathers of Confederation Trust Program (May 19, 2006)

Katimavik Program (May 19, 2006)

List of Internal Audits, 2006-07

Interchange Canada Program (March 16, 2007)

Management of Human Resource Information (September 15, 2006)

Northern Aboriginal Broadcasting and Northern Distribution (June 28, 2006)

Audit from the Office of the Auditor General of Canada, 2006-07

2006 Report of the Auditor General of Canada - An Overview of the Federal Government's Expenditure Management System Report - Expenditures Management System in Departments

The [November 2006 audit](#) examined the Expenditure Management System at Agriculture and Agri-Food Canada, Canadian Heritage, and Public Works and Government Services Canada. The audit found that some parts of the system are working well. For example, the departments are able to track and monitor their compliance with conditions imposed by Treasury Board in funding decisions. The audit also found notable weaknesses. In particular, there were significant examples of funding that were not adequately aligned with program requirements, which had a negative effect on program delivery. This problematic lack of alignment was considered to be primarily due to inflexibility in the system. Other such problems were the lack of a systematic approach to central expenditure review exercises, and the increasing proportion of spending items appearing in Supplementary Estimates rather than Main Estimates. The audit found that there is a need for more risk assessment, improved alignment and capacity building for improved response to future expenditure reviews.

2007 Status Report of the Auditor General of Canada - Advertising and Public Opinion Research – Follow-up to the 2003 Report

The 2003 audit assessed the extent to which the government had ensured effective control over its spending on advertising and public opinion research activities and whether it measured results and reported them to Parliament. In this [February 2007 follow-up audit](#), advertising campaigns and public opinion research projects were audited to see whether the departments administering these activities were exercising adequate management and control and whether changes made in response to the 2003 recommendations were effective.

The audit found that Public Works and Government Services Canada (PWGSC) made satisfactory progress in ensuring that it awards contracts for advertising and public opinion research services in a fair and transparent manner in accordance with the Treasury Board's Contracting Policy. Departments made satisfactory progress in ensuring that planning for advertising activities and managing suppliers is done in accordance with the Communications Policy of the Government of Canada and in ensuring that there was adequate documentation to support invoices submitted for payment for advertising and public opinion research activities. The results of advertising and public opinion research were measured and reported in accordance with the requirements established by the Communications Policy of the Government of Canada. The audit also found that some departments are still not complying with all requirements that apply to public opinion research. For example, some had contacted a research firm before informing PWGSC that they intended to carry out public opinion research activities.

2007 Status Report of the Auditor General of Canada - The Conservation of Federal Built Heritage – Follow-up to the 2003 Report

The 2003 Protection of Cultural Heritage audit showed that built heritage was at risk because of a marked decrease in financial resources allocated to heritage conservation in the previous years, and because of shortcomings in built heritage management mechanisms and in the legal protection framework. It also reported that the heritage conservation framework had reached its limits and that a better balance had to be struck between departments' and agencies' conservation responsibilities and the resources made available to them.

The 2007 report found that the Parks Canada Agency (PCA) took satisfactory measures to follow up on the 2003 recommendations concerning the legal protection framework for built heritage and the management infrastructure for national historic sites. PCA has developed policy proposals to strengthen conservation, has completed and approved several management plans for national historic sites, and has carried out several evaluations of historic sites. However, these conservation interventions are not sufficient to guarantee the conservation of built heritage placed under the custody of departments. The report recommends that the government strengthen its conservation regime by establishing overall objectives for the conservation of built heritage, setting priorities for conservation and monitoring organizations activities, covering all elements of built heritage of custodian departments, combining the functions of designation and conservation, and reporting to Parliament on the results of conservation activities.

Official Languages

With regard to Part IV of the *Official Languages Act*, audits were conducted on site and over the telephone to determine whether offices and facilities designated bilingual and those with new obligations are complying with the requirements for communications with and services to the public in both official languages. The on-site audit took place in the Atlantic Region, whereas the telephone audit was conducted across Canada and reflected the objectives and scope of the 2003 audit.
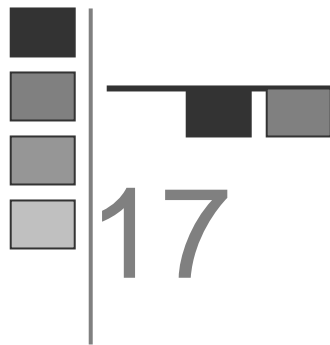
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TABLE 17: Sustainable Development Strategy

1. What are the key goals, objectives, and/or long-term targets of the Sustainable Development Strategy (SDS)?

The Sustainable Development Strategy 2004-06 for the Canadian Heritage had the following goals, objectives and targets :

Goal 1: To reduce the environmental impact of Canadian Heritage's internal operations.

Objective 1.1: To increase employee awareness of Canadian Heritage's approach to sustainable development.

Objective 1.2: To reduce the environmental impact of procurement.

Objective 1.3: To operate in a more eco-efficient manner.

Goal 2: To integrate sustainable development into Canadian Heritage programs and policies delivered directly by the Department or in partnership with others.

Objective 2.1: To raise awareness of clients regarding how they can integrate sustainable development into the delivery of projects funded by Canadian Heritage.

Objective 2.2: To integrate sustainable development principles into the design and delivery of the Vancouver 2010 Winter Olympics.

Objective 2.3: To improve the eco-efficiency of the Canadian Heritage Portfolio

Goal 3: To integrate social and cultural dimensions into the federal government's broader vision of sustainable development in Canada.

Objective 3.1: To better understand the social and cultural dimensions of sustainable development.

2. How do your key goals, objectives, and/or long-term targets help achieve your department's strategic outcomes?

Two strategic outcomes are identified in the Program Activity Architecture of the Department of Canadian Heritage:

- Canadians express and share their diverse cultural experiences with each other and the world; and

- Canadians live in an inclusive society built on inter-cultural understanding and citizen participation.

These outcomes summarize the overall goals of the Department, and they reflect an approach that is all about sustaining and reinforcing the cultural fabric of Canada. Canadian Heritage contributes a key component to federal sustainability objectives because the Department's policies and programs help to ensure that Canadians are well equipped to build a strong future, with a strong understanding of their past and an ability to connect with each other in the present.

The goals and objectives of the Sustainable Development Strategy help to advance the Department's strategic outcomes by:

- Promoting an environment in which the Government of Canada is shown to respond to the concerns of Canadians with respect to sustainable activities and operations; and

- Promoting a complete approach to sustainable development in Canada that also considers culture, heritage, inclusion, civic participation, and the importance of sharing experiences among Canadians.

In this way, the Department's outcomes are furthered because cultural development is valued and trust is built in Canada's civic institutions.

3. What were your targets for the reporting period?

During the reporting period, Canadian Heritage aimed to advance its sustainable development objectives by emphasizing operational improvements, particularly in implementing the new policy on green procurement, reviewing the procedures for performing strategic environmental assessments and developing a new procedure to ensure that the Department meets its obligations under the *1999 Cabinet Directive on the Strategic Environmental Assessment of Policies, Plans and Programs.*

The Department also sought to participate in at least two interdepartmental projects to improve understanding of the Department's role in supporting the social and cultural dimensions of sustainable development.

With the preparations of the new strategy (SDS 2007-09) during this year, the 2006-07 period offered a key opportunity to review the department's overall approaches and systems for promoting sustainable development practices within the organization.

4. What is your progress to date?

Goal 1: To reduce the environmental impact of Canadian Heritage's internal operations

Green Procurement

Canadian Heritage has incorporated "green" clauses into departmental Requests for Proposals where pertinent (for example, with regard to proposals for developing Canada's pavillions at international expositions.) Generic "friendly environment clauses" have also been included in

Requests for Proposals and contracts. Wherever possible, double-sided printing has been

required within the terms of contracts.

Links to the policy on green procurement have been posted on the Department's internal Web site (Intranet) for employees, also giving them access to the Sustainable Development Strategy and various green strategy sites.

Green suppliers are identified in the Department's financial system. Awareness sessions were conducted for 202 program administrators and managers, which included aspects of green procurement.

Canadian Heritage has also participated actively in the Commodity Council on Greening Government Operations as well as in an internal steering committee to oversee various greening strategies. Canadian Heritage also manages a small fleet of vehicles to serve corporate requirements and during this reporting period, the Department purchased one energy efficient vehicle and one hybrid vehicle as replacements within this fleet.

Canadian Heritage and Portfolio Facilities

Canadian Heritage has been providing regular communiqués regarding the participation of *Les Terrasses de la Chaudière*, the headquarter office complex in the National Capital Region, in all recycling programs. A new program that was included in 2006-07 is the battery recycling program for alkaline, nickel cadmium, and lithium ion batteries.

The Department of Public Works and Government Services (PWGSC) has also embarked on a major renovation project, whereby all washrooms in *Les Terrasses de la Chaudière* (LTC) complex are being upgraded. With these renovations, the complex will see a reduction in water consumption because of the installation of water sensor faucets. As well, PWGSC incorporated an energy program reducing light consumption at the LTC complex. PWGSC has the lead on all building projects, however as tenants in the complex, Canadian Heritage has ensured that information about these projects is disseminated to all staff and regular updates are provided when new initiatives are taken on.

The Department strives to ensure that its facilities projects meet ecological standards, such as the use of water based paints, non-toxic glues when installing carpets and the purchase of recyclable materials when ordering work stations. Canadian Heritage has made recommendations to PWGSC on these requirements as they have the lead in providing affordable and sustainable office accommodation and related services for departments and agencies of the Government of Canada.

The Canadian Conservation Institute (CCI), an agency within the Canadian Heritage portfolio, made operational improvements to advance sustainable operations through the renovation to its main facility on Innes Road (Ottawa): the roof and windows were replaced; appropriate new materials (e.g. flooring) were installed, and the washrooms were modernized.

Information Technology and Systems

The Knowledge, Information and Technology Services (KITS) branch of the Department has established an internal "green" committee to address what can be done at the employee/branch.

level (which can also be shared for application in other areas), as well as to study the feasibility and effectiveness of IT initiatives to improve its sustainable operations (e.g. formatting shared printers for duplex printing, the use of "green" icons, reminders and warning windows that will promote green behaviour, etc.).

Goal 2: To integrate sustainable development into Canadian Heritage programs and policies delivered directly by the Department or in partnership with others.

Strategic Environmental Assessments

Canadian Heritage hired an experienced environmental assessment coordinator who undertook the management of the procedures involved in strategic environmental assessments and has also worked closely with Public Works and Government Services Canada in order to further capitalize on their expertise in the field of environmental assessments. The Department developed environmental assessment procedures and has presented an information session for program managers in collaboration with Public Works and Government Services Canada.

2010 Olympic and Paralympic Winter Games

The 2010 Olympic and Paralympic Winter Games Federal Secretariat continues to work closely with the 2010 Vancouver Organizing Committee (VANOC) to ensure that the principles of sustainable development are respected in all areas of their work. The environmental assessments for all the Winter Games venues are complete. VANOC also recently released the 2005-06 Sustainability Report. This report is the first of five that will be completed.

Promoting Sustainable Development with Partners

The Canadian Conservation Institute has committed to establishing a committee that will guide efforts to improve the understanding of CCI's role in supporting sustainable development within the museum community and to ensure the efficient operation of scientific and conservation laboratories, as well as its common spaces (library, training facility and office space).

Goal 3: To integrate social and cultural dimensions into the Government of Canada's broader vision of sustainable development in Canada.

Cultural Sustainability

Canadian Heritage's cross-sector working group on cities and communities has continued to examine the concept of cultural sustainability, or culture as the "fourth pillar" of sustainability, in the context of the Department's investments in arts and sport activities, cultural infrastructure including artistic venues and heritage institutions, and forums for inter-cultural dialogue. The working group produced a commentary on this concept that has fed into interdepartmental discussions on federal roles and interests in communities, and on the need for place-based, collaborative policy approaches in support of community development. This group also helped

to develop an international workshop on "the cultural basis of sustainable community planning," sponsored by Canadian Heritage, the Canada Council for the Arts, and the Creative City Network of Canada at the third World Urban Forum, held in Vancouver from the 19th to 23rd of June, 2006. The theme of this major international gathering, organized by the UN Human Settlements Programme (UN-HABITAT) in collaboration with the Government of Canada, was "Our Future: Sustainable Cities."

Canadian Heritage also participated in the development of a colloquium on francophone immigration, which addressed the issues and challenges related to the cultural sustainability of francophone communities, particularly those in a minority situation. The event explored issues such as the integration and participation of francophone immigrants, as well as the intersections of bilingualism and multiculturalism. The colloquium took place in March 2007, and was organized in collaboration with Citizenship and Immigration Canada.

5. What adjustments have you made, if any?

The Department is reviewing the Environmental Assessment Coordinator position to include the coordination of sustainable development functions in order to ensure the Department is better equipped to meet its commitments set out in its next Sustainable Development Strategy, for the 2007-09 period.

In preparation for assuming custodianship of its facilities in 2008-09, the Canadian Conservation Institute is including sustainable development as a component of its Facilities Management Plan and will be requiring the property management service provider to develop and implement a 5-year energy management program as well as to implement and manage recycling programs.

In addition, the annual report of the Commissioner of the Environment and Sustainable Development was presented to Parliament in September 2006. Canadian Heritage was among the departments audited for the report. The report commended the coordination efforts for the 2010 Winter Olympic and Paralympic Games as an encouraging sign that federal departments are incorporating sustainable development principles in operational planning. The report also encouraged departments to make more specific commitments in their strategies and it identified the need for Canadian Heritage to improve its management systems, including in the planning, implementation and monitoring of commitments. These recommendations were critical during the development of the next Sustainable Development Strategy for the 2007-09 period, which took place over several months in the 2006 calendar year. Canadian Heritage's new SDS was tabled in Parliament on December 14, 2006, and included as its first priority the strengthening of SD management measures throughout the Department. A number of explicit actions and performance measures were attached to this priority in order to facilitate its implementation.
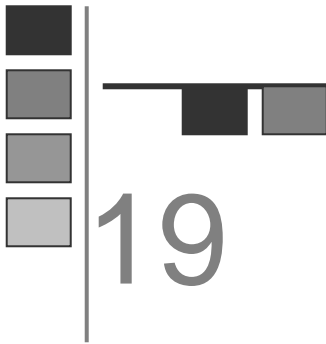
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TABLE 19: Client–Centered Services

More information on <u>Client–Centered Services</u> is available on line.
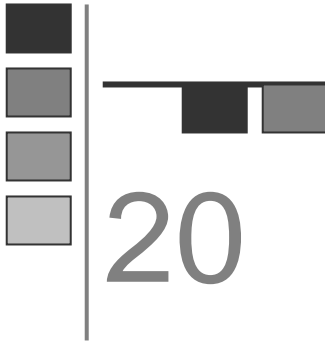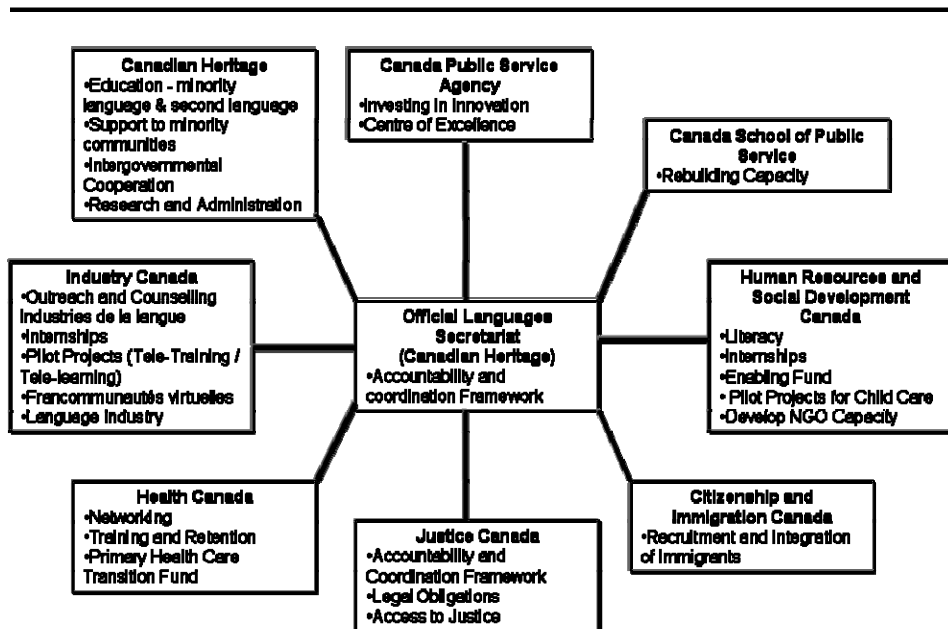
20 **TABLE 20: Horizontal Initiatives**

Official Languages Action Plan

The Action Plan is a policy statement of the Government of Canada that strengthens the implementation obligations under the *Official Languages Act* and includes a number of initiatives aimed at the enhancement and promotion of linguistic duality in Canadian society. Back in 2003, ten (10) federal institutions received funds for sectoral programs and activities related to official languages. These institutions work together to ensure that Canadians enjoy the benefit of linguistic duality; can live and work in communities that reflect Canadian values with respect to the use of English and French, and have access to government services in the language of their choice. The Action Plan is part of the Government of Canada's Official Languages Program which encompasses all activities with respect to its obligations and commitments under the *Official Languages Act* and its efforts to advance linguistic duality.

The Action Plan for Official Languages

2010 Winter Olympic and Paralympic Games – Delivering on our Commitments

The Department of Canadian Heritage is the lead on the horizontal initiative, *2010 Winter Olympic and Paralympic Games – Delivering on our Commitments.* With eleven other departments and agencies responsible for the planning, coordination and management of their respective essential federal services in support of the 2010 Winter Games, this initiative will promote Canadian excellence and values nationally and internationally, establish sport, economic, social and cultural legacies that are aligned with federal policy objectives and will contribute to high quality games. Through this coordinated and integrated initiative, Canadians from across the country have participated in various 2010 related activities; federal visibility at home and abroad has been enhanced; and, significant progress on sustainable legacies such as venues has been made.

Horizontal Initiative: V2010

Programs / Themes	Department
Federal Coordination / Enhancing Canada's International Profile	Canadian Heritage
Promoting Sustainable Benefits	
Police and Security	RCMP, Public Safety and Emergency Preparedness Canada, National Defence, Canadian Security Intelligence Agency, Public Health Agency of Canada
Entry of Goods and Individuals	Canadian Border Service Agency, Citizenship and Immigration Canada, Human Resources and Social Development Canada
Public Health and Safety	Health Canada
Meteorological Services	Environment Canada
Sustainability	
Environment Assessments	Environment Canada, Fisheries and Oceans Canada

More information on <u>Horizontal Initiatives</u> is available on line
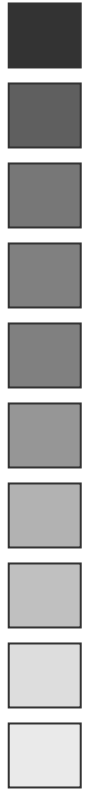
Section 4

OTHER ITEMS OF INTEREST

Corporate Services

Corporate Services supports all Strategic Outcomes and are considered as a special program activity.

Corporate Services include:

- Legal Services;
- Informatics Services;
- Financial and Administrative Services;
- Human Resources and Workplace Management Services;
- Communications;
- Audit and Evaluation Services;
- Corporate and Regional Management; and
- Deputy Minister's Office, Associate Deputy Minister's Office, Ombudsman and Corporate Secretary.

Corporate Services	
Actual Financial Resources ($ millions), 2006-07	65.2
Actual Human Resources (Full-Time Equivalents), 2006-07	595

Performance Measurement

Canadian Heritage is responsible for ensuring that information systems, performance measurement strategies, reporting and governance structures are consistent with and support the organization's Management, Resources and Results Structure (MRRS) and reflect the manner in which resources are actually managed and allocated in the organization.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Planned results included: monitoring the implementation of the refined senior management committee structure; continued improvement of the Integrated Planning and Reporting Model; development of a self-awareness tool on management practices based on the Management Accountability Framework; review and refinement of the performance measurement framework of the Program Activity Architecture (PAA); creating better linkages between external reporting documents and the PAA, and carrying out the Cultural Affairs Sector Directors' Results Table.

Results Achieved

Planned results for 2006-07 were partially achieved. Over the last few years, Canadian Heritage has gradually put in place a number of corporate processes to improve performance measurement from both program and management perspectives. To respond to a rapidly changing environment, the coordinated implementation of these tools has, however, required some adjustments to the Department's governance structure, priority-setting processes and Management Accountability Framework (MAF) tracking mechanisms. These measures reaffirm the Department's commitment to a sustainable integration of its senior decision-making bodies and program delivery components.

While progress is being made on performance measurement at the program level, the introduction of new policies and legislation by central agencies regarding performance management, audit, evaluation and accountability has required constant adjustment. The Department has developed a two-step approach to renew the Program Activity Architecture (PAA) and the Performance Measurement Framework (PMF): 1) minor changes to the PAA including the addition of internal services and 2) a complete strategy to review, analyse and renew the PAA and PMF. This will further enhance the effectiveness of the Department's performance management processes as well as the transparency of its corporate planning and reporting documents.

Audit and Evaluation Plan

Canadian Heritage has structured its audit and evaluation function to support and enhance corporate decision-making. An audit and evaluation plan identifies the work needed to support departmental priorities, renewal requirements, reporting obligations to Cabinet, as well as risk assessments. Internal audit work is guided by risk principles and focuses on the three key results areas identified in the Treasury Board Policy on Internal Audit (risk management strategy and practices, management control frameworks and practices and information used for decision making and reporting).

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Initial audit and evaluation activities identified in the *2006-07 Report on Plans and Priorities* (RPP) were based on preliminary forecasts and differ from those conducted over the course of the year following the approval of the 2006-07 audit and evaluation plan.

Results Achieved

Planned results for 2006-07 were achieved. Audit and Evaluation results provided the Deputy Minister and senior management with information on the continued relevance, results and impacts, cost-effectiveness and alternatives of programs, policies and initiatives. Table 16 of this report lists all evaluation and audit reports completed, tabled and approved by the departmental

Audit and Evaluation Committee in 2006-07 and provides Web links to the individual reports. Based on the list in the *2006-07 Report on Plans and Priorities*, an additional audit on the Interchange Canada Program was conducted. On May 4, 2007, the Audit and Evaluation Committee approved the audit and evaluation of Canada's Participation in the 2005 Aichi, Japan World Exposition, forecasted in the *2006-07 Report on Plans and Priorities*, on May 4, 2007.

In 2006-07, the Department developed an action plan to ensure that it successfully implements and meets the requirements of the new Treasury Board Secretariat Internal Audit Policy effective April 1, 2006. As detailed in the implementation plan, a draft internal audit charter has been prepared and the competency profiles for all levels of audit resources have been developed. The Department has also implemented standardized audit methodologies and standardized report presentations. A key element in the implementation of this new policy is the requirement for a new Departmental Audit Committee structure. The Department has developed a transition strategy that will ensure that the existing committee structure is changed to reflect the new requirements and includes a recruitment strategy for the external members of the Departmental Audit Committee.

The Department is closely monitoring the review of the Government of Canada's Evaluation Policy and has taken steps to ensure its adherence to the new policy in a timely manner.

Canadian Heritage is working on strengthening its audit and evaluation capacity to deliver on the accountability and stewardship expectations under the Government's Management Accountability Framework and related commitments. Results of audit and evaluation activities are being more strongly linked with policy and program development, planning, and performance measurement and management.

Risk-Based Decision-Making

Awareness of risk for senior executives and managers at Canadian Heritage has been significantly raised over the past few years as a result of the strengthened government accountability to Parliamentarians and all Canadians for the management of public funds and the results achieved. In 2006-07, the Department took a more coherent and integrated view of integrated risk management related initiatives at all levels - governance, corporate, program and project.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Within two years (2006-08), a risk-smart culture will result in enhanced management rigour in Canadian Heritage.

Result Achieved

Planned results for 2006-07 were achieved. Major strides were made in realizing enhanced management rigour as it relates to risk management. An internal control framework for grants

and contributions was developed through extensive intra-departmental consultation, and validated by key funding programs and included identification of control gaps. This action and related focus on risk tangibly advanced risk management at the project and program level, helping to: support centralized enhanced monitoring of grant and contribution financial approvals; develop a common front-end project assessment tool for reviewing funding applications; and create a training program for program officers. These actions contribute to the outcomes of making the department more risk-aware and also achieve better stewardship and management of the programs that carry out the departmental mandate.

In 2006-07, a focal point for risk management was established and adequately resourced. A corporate risk profile was developed; project risk management practices in grants and contributions programs were studied during mapping of internal controls and a common risk assessment tool was drafted for use in program officer training; and a risk-based audit and evaluation plan was developed, approved and put in action.

Progress has been made toward establishing enterprise-wide risk management in such areas as: integrating risk management into business planning, priority-setting, resource allocation and reporting, and using risk management to support key decision-making and governance at all levels.

Service Improvement

Through participation in the Treasury Board's Service Improvement Initiative (SII), and in alignment with other initiatives under the larger Government of Canada service agenda, the Department of Canadian Heritage is striving for excellence in the delivery of its programs and service to individuals and organizations.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

Feedback from the Department's clients obtained by using the TBS's Common Measurements Tool (CMT) revealed a demand for services that are delivered in a more client-centered, transparent, and timely manner. These three areas form the basis of a new vision for service delivery in the Department. To realize this vision and build on the service improvements accomplished to date, the Department will develop a multi-channel Service Improvement Roadmap (SIR).

Results Achieved

Planned results for 2006-07 were achieved and the Department is on target to meet multi-year commitments to be fulfilled in 2007-08. The existing governance structure was updated, ensuring a coordinated and cohesive approach to service improvement and business transformation while aligning with emerging Government of Canada direction (including the Blue Ribbon Panel recommendations and Treasury Board Service Policy).

Operations planning undertaken for service improvement projects reflects a proactive and integrated approach to ensure the Department is properly positioned to meet client expectations and emerging Government of Canada requirements

A Departmental Service Delivery Performance Measurement Framework was developed to track levels of client satisfaction and ensure client-centered service delivery. Additionally, service standards have been developed as part of a pilot project with jointly delivered funding support programs. Following the pilot, implementation of service standards is planned for all departmental funding support programs, ensuring compliance with the forthcoming Policy on Service.

A strategy for streamlining overall business processes for funding support programs within Canadian Heritage was initiated which will result in improved service delivery to clients while ensuring due diligence and risk management requirements are fulfilled.

Design and implementation was initiated to deliver an on-line transactional system for the Canadian Audio-Visual Certification Office (CAVCO) and three grant and contribution pilot programs. Canadian Heritage is also leveraging existing whole-of-government solutions, such as Secure Electronic Forms (SEF) to improve the delivery of grants, contributions and tax credits.

Human Resources Initiative

In 2006-07, Canadian Heritage entered its fourth year of human resources and work place management planning. Human resources planning is informed by organizational dashboards that provide managers with key demographic and survey data to assist them in charting the best course for their respective organizations.

Planned Results (as outlined in Canadian Heritage's *2006-07 Report on Plans and Priorities*)

A fair, enabling, healthy and safe workplace; and a productive, principled, sustainable and adaptable workforce.

Results Achieved

Planned results for 2006-07 were achieved. In 2006-07, Canadian Heritage received a strong rating for its value-based leadership and organizational culture from the Treasury Board Secretariat, and overall, strong ratings for the extent to which the Department's workplace is fair, enabling, healthy and safe, and its workforce is productive, principled, sustainable and adaptable. These ratings echo results drawn from our annual employee survey that show that Canadian Heritage is a great place to work (88%) and learn (81%), and a place where most employees feel they are treated with respect (88%), and are committed to the organization's success (96%).

In 2006-07, the Department proceeded with the implementation of its new resourcing strategy (approved in 2005-06) which aims to capitalize on the flexibilities of the *Public Service Employment Act*. The Department also embarked on the development of an employee development plan which sets its sights on strengthening employee engagement, leadership and talent management in a continuous learning culture, and on the development of a well-being strategy.

Managers were also encouraged to respond to results of the Public Service-wide Employee Survey (November 2005) and the Department's annual employee survey (February 2007), and to integrate measures stemming from these into their daily work and human resources and workplace management plans

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List of Statutes Administered, in Whole or in Part, by the Canadian Heritage Portfolio

**As mentioned on the Department of Justice Web site, these documents are not the official versions.**

An Act to Incorporate the Jules et Paul Emile Léger Foundation	S.C. 1980-81-82-83, c. 85
Broadcasting Act	S.C. 1991, c. 11
Canada Council for the Arts Act	R.S.C. 1985, c. C-2
Canada Travelling Exhibitions Indemnification Act	S.C. 1999, c. 29
Canadian Heritage Languages Institute Act (not in force)	S.C. 1991, c. 7
Canadian Multiculturalism Act	R.S.C. 1985, c. 24 (4th Supp.)
Canadian Race Relations Foundation Act	S.C. 1991, c. 8
Canadian Radio-television and Telecommunications Commission Act	R.S.C. 1985, c. C-22
Copyright Act (formulation of cultural policy)	R.S.C. 1985, c. C-42
Cultural Property Export and Import Act	R.S.C. 1985, c. C-51
Department of Canadian Heritage Act	S.C. 1995, c. 11
Foreign Publishers Advertising Services Act	S.C. 1999, c. 23
Holidays Act	R.S.C. 1985, c. H-5
Income Tax Act (Tax credits, National Arts Service Organizations and cultural property)	R.S.C. 1985 (5th as amended Supp.)
Internment of Persons of Ukrainian Origin Recognition Act	S.C 2005, c. 52
Investment Canada Act (Cultural Foreign Investment)	R.S.C. 1985, c. 28 (1st Supp.)
Library and Archives of Canada Act	S.C. 2004, c.11
Lieutenant-Governors Superannuation Act (in part)	R.S.C. 1985, c. L-8
Museums Act	S.C. 1990, c. 3

National Acadian Day Act	S.C. 2003, c.11
National Anthem Act	R.S.C 1985, c. N-2
National Arts Centre Act	R.S.C. 1985, c. N-3
National Battlefields at Québec Act	S.C. 1907-08, c. 57-58
National Film Act	R.S.C. 1985, c. N-8
National Horse of Canada Act	S.C. 2002, c. 11
National Sports of Canada Act	S.C. 1994, c.16
National Symbol of Canada Act	R.S.C. 1985, c. N-17
Official Languages Act (Part VII)	R.S.C. 1985, c. 31 (4th Supp.)
Parliamentary Employment and Staff Relations Act	R.S.C. 1985, c. 33 (2nd Supp.)
Physical Activity and Sport Act (In respect of sport)	S.C. 2003, c.2
Public Service Employment Act (Report to Parliament)	R.S.C. 1985, c. P-33
Public Service Labour Relation Act	S.C. 2003, c.22 S-2
Salaries Act (Lieutenant-Governors)	R.S.C. 1985, c. S-3
Sir John A. Macdonald and Sir Wilfrid Laurier Day Act	S.C. 2002, c.12
Status of the Artist Act (Part 1)	S.C. 1992, c.33
Telefilm Canada Act	R.S.C. 1985, c. C-16
Trade-marks Act (Use of National Symbols)	R.S.C. 1985, c. T-13

Departmental Points of Service Across Canada
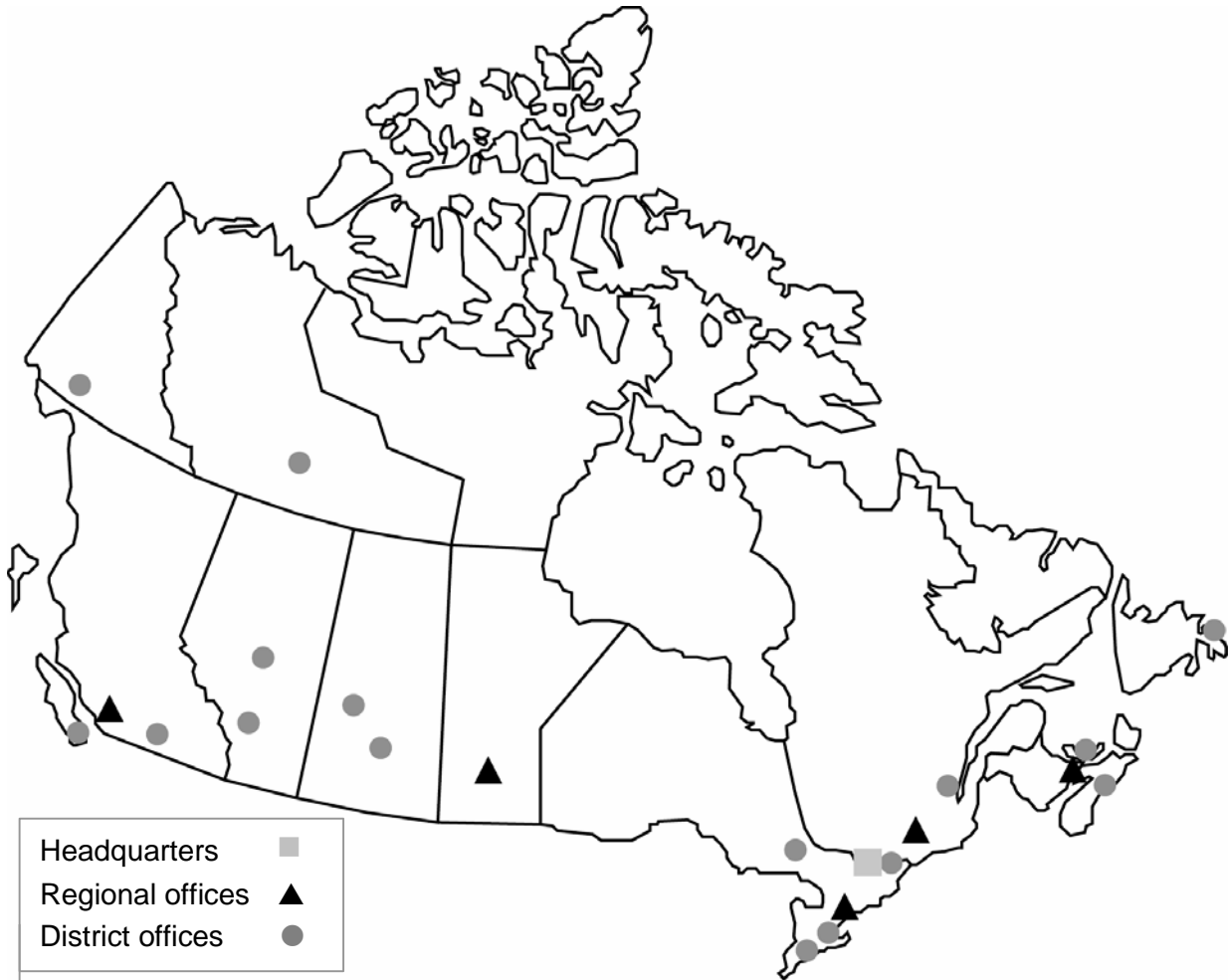
Headquarters	▪	
Regional offices	▲	
District offices	●	

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▲ Vancouver, British Columbia
● Victoria, British Columbia
● Kelowna, British Columbia
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● Edmonton, Alberta
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● Québec

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Department of Canadian Heritage Web site
www.canadianheritage.gc.ca

A-Z Index of Canadian Heritage Web site
www.pch.gc.ca/pc-ch/a-z/index_e.cfm