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Chair

Mr. Gary Schellenberger

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•(0905)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Good morning, everyone. I'd like to welcome everyone here today to this 57th meeting of the Standing Committee on Canadian Heritage.

Pursuant to Standing Order 108(2), we are undertaking a full investigation of the role of a public broadcaster in the 21st century, examining a special report of the Auditor General of Canada presented to the board of directors of the Canadian Broadcasting Corporation on November 30, 2005.

Before we ask Ms. Fraser to start, I would like to bring to the attention of the committee that as the consideration of the main estimates has been referred to the committee of the whole under Standing Order 81(4)(a), we will be removing it from our agenda. Therefore, the minister will not be at our committee May 15. I would just like to let you know that. So the minister will not be here on May 15, because we will be debating it in the House in a committee of the whole. Thank you for that.

I welcome this morning, from the Office of the Auditor General of Canada, Auditor General Ms. Fraser, as well as Mr. Flageole and Ms. Charron. Welcome.

Would you please go forward?

Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada): Thank you, Mr. Chair.

We thank you for this opportunity to discuss the results of our last special examination of the Canadian Broadcasting Corporation, CBC.

The examination was carried out between April 2004 and April 2005, and we presented our report to the board of directors on November 29, 2005. The report was subsequently made public by the corporation on December 7, 2005.

As you mentioned, I am accompanied today by Richard Flageole, Assistant Auditor General, and Julie Charron, principal, who were responsible for this examination.

I would like to begin by explaining that special examinations are a key component of the control and accountability framework for federal crown corporations. Our mandate for such examinations is outlined in legislation and consists of expressing an opinion on whether the corporation has systems and practices in place to provide reasonable assurance that its assets are safeguarded and controlled, that its financial, human, and physical resources are

managed economically and efficiently, and that its operations are carried out effectively. A special examination must be conducted at least once every five years, and the results are provided to the board of directors.

[Translation]

Since your committee is currently conducting a full investigation of the role of a public broadcaster in the 21st century, it is important to note that we do not comment on the appropriateness of the CBC's mandate in our examination. In fact, the legislation expressly prohibits us from expressing any opinion on the merits of the mandate given to the CBC by Parliament.

However, we did examine how the CBC measures its performance and reports the results achieved under its current mandate. We found that in order to demonstrate its level of efficiency and the extent to which it is meeting its corporate objectives, the CBC had to develop and implement a corporate-wide performance management framework; provide better costing information for programming and activities; and make improvements in internal and external reporting practices.

Weaknesses in these areas led us to conclude that the systems and practices we examined had a significant deficiency in terms of the CBC's internal and external accountability.

Specifically, we found that although the CBC had developed a certain number of performance indicators that included both quantitative and qualitative indicators to reflect its role as a public broadcaster, these indicators were incomplete. These indicators addressed primarily programming and not the other five strategic areas and priorities identified in the CBC's corporate plan—efficiency, creative human resources, strategic partnerships, collaboration, and strong stakeholders relationships. Moreover, we noted that the development and use of targets to set performance expectations varied among the media lines and other corporate functions; some had clear and measurable targets, while others did not. The lack of such targets makes it difficult to assess how well the corporation is fulfilling its mandate.

[English]

In addition, we noted that senior managers did not have relevant costing information for programming and activities to assess the efficiency of CBC's operations. More specifically, management reports did not break down the costs of activities by major categories, such as staff costs, operating costs, and facilities costs. Having these would allow for comparisons over time as well as with similar activities within the corporation and with those of external organizations. Further, the format and contents of the reports were not consistent within and between media lines and other components. As a result, it is difficult, and in some cases not feasible, to compare performance and costs between networks.

We also found a number of weaknesses in external reporting practices, including a lack of performance measures and targets in the corporate plan, inconsistencies between the performance indicators presented in the annual report and those developed internally, and a lack of alignment between the financial information in the corporate plan and that in the annual report.

Other than annual expenses for media and other corporate functions, the financial information provided in the annual report does not demonstrate the resources targeted and used to achieve the corporation's objectives. In our view, significant improvements in external reporting practices, including reporting to Parliament, are needed to meet public accountability expectations of a corporation with the size and importance of the CBC.

Finally, Mr. Chair, I would like to note that we did note many areas of strength in the corporation's systems and practices, as well as other opportunities for improvement, and these are described in more detail in our report.

• (0910)

[Translation]

Mr. Chair, we discussed all these observations with senior management and the board when we presented our report in 2005. They agreed with our observations and assured us that our recommendations would be acted on. We understand that the CBC has undertaken several initiatives to address our recommendations, but we have not conducted any follow-up work on these initiatives and cannot comment on their effectiveness. The committee may wish to ask the CBC about the actions taken and the progress made in this regard.

Thank you, Mr. Chair. We would be pleased to answer any questions the committee might have.

[English]

The Chair: Thank you for that presentation.

The first question will be from Ms. Keeper.

Ms. Tina Keeper (Churchill, Lib.): Thank you, Mr. Chair.

I would like to thank you for your presentation.

One of the notes that you had really struck me, because we are currently doing a CBC mandate review. We've heard from witnesses over several weeks now that there has been a significant change to CBC over the last decade, primarily in terms of its budget, but also in trying to meet the challenges of audience fragmentation.

You talked about the management reports. What really struck me was that if the targets are not clear and measurable for these categories, how is the CBC to meet these challenges, especially in a particularly challenging time? Could you elaborate on what you found in those categories in terms of clear and measurable targets and on senior management's having some costing information? Could you elaborate on that point?

Ms. Sheila Fraser: Yes, thank you. I'd like to start by saying that performance measurement is a challenge in any corporation. We recognize that it's not easy to do. The corporation does have targets for programming. It was in the other corporate objectives that the measures weren't as well defined and weren't consistently defined in all of the areas. As well, we also noted that the internal financial management information was not good—certainly not as robust as we would have expected.

Perhaps I'll ask Mr. Flageole if he could elaborate.

Mr. Richard Flageole (Assistant Auditor General, Office of the Auditor General of Canada): Mr. Chair, as the Auditor General mentioned, the CBC has six strategic priorities in their corporate plan. In the annual report, we found that they reported pretty well on the programming aspect, but if we look at the other five aspects, we didn't see any performance indicators, and there's a lack of results information. I really believe they have to improve this. We have been informed that they're working on this. If we look at the latest annual report, for 2005-2006, they explicitly mention in the report that they are developing what they call a performance dashboard that will be implemented over the next three years. So I guess we should expect to see better information on the achievement of those results in the future.

In terms of cost, I think one of the key things is that it was extremely difficult for us to make comparisons between the two networks, because there are significant differences in the way costs are accumulated. We would have liked to compare French and English for a number of activities, but the costing system they have now doesn't allow for such comparisons.

Ms. Tina Keeper: I'm a little confused by that. Could you just explain it to me? Maybe I'm the only one at this table who wouldn't understand this, but I don't understand why there's a difficulty in cost comparison between the two.

Mr. Richard Flageole: If we look at the key components of the cost of the CBC, which are staff, operations, and facilities, in cost accounting there are different ways to accumulate those costs. You might include certain elements in staffing or in facilities or something else. So there's not only one way of doing this, and the way it's done on both networks is different.

• (0915)

Ms. Tina Keeper: It's completely different.

Mr. Richard Flageole: It's different. In some cases we would be comparing apples and oranges. So it's really key for CBC to look at the way they are doing that costing, what's included in what, and make sure they have more harmonization between the two networks.

Ms. Tina Keeper: Thank you.

Can I ask one quick question, which is on a similar thing, between the two networks? One of the things you found in your examination was unused programming in both networks, and this had to do with the management of program rights, as I understand. Could you talk a little bit about that and whether you had access to information that you could compare between the two networks?

Thank you.

Ms. Sheila Fraser: We did have the information for the two networks. The inventory of times that have not been aired was around 6,000 hours for each network. We were reporting that the corporation needed to better manage that. Since then, I think in the English network they have named a director to manage this position. But there was no centralized management of this.

We are not commenting on whether the number of hours is too much or inappropriate; it's simply that there needs to be much better management. These are assets that have been paid for. We would expect the CBC itself to know if these programs would be aired eventually or not. And we note, as well, in the report that the private broadcasters will tend to air what they have bought, whereas the CBC does not always do that, and that's why there's this inventory. So it's really a question of managing that asset.

Ms. Tina Keeper: Thank you.

The Chair: Thank you.

Mr. Kotto.

[*Translation*]

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

Good morning. I would like to thank you for joining us today to share your wisdom, which we may draw on in making our recommendations.

I would like to return to the issue of performance indicators. Do you believe that the current indicators are suitable for measuring performance?

Ms. Sheila Fraser: Yes. What we primarily found is that the indicators were incomplete. There were indicators for programming. It is up to the CBC to determine the indicators, because it must manage according to these indicators. Indicators should not be established just to produce an annual report. They must be part of management. We did not necessarily have comments on the existing indicators, except that there were no indicators or targets for the corporation's other strategic objectives. The indicators were incomplete.

Mr. Maka Kotto: What expertise would be essential in eventually completing the indicators? Who could potentially contribute, besides the people from the corporation themselves?

Ms. Sheila Fraser: In general, this is something managed by the corporation itself. It may sometimes call on other people, particularly when making comparisons with industries or similar companies. The indicators must really come from the CBC, because it is the one that must manage according to those indicators. They must be part of its management. They must be followed consistently.

Mr. Maka Kotto: Okay.

As we know, using public money efficiently, effectively and transparently is the cornerstone of the essential trust between the government and the public broadcaster. How do you think this efficiency, effectiveness and transparency can be measured accurately? Transparency in particular. It has often been called into question with respect to the corporation and its accountability. Is this true more of the corporation's English-language or French-language services? Where specifically did you find this lack of transparency?

Ms. Sheila Fraser: We found that there was a weakness in all the reports the CBC was producing, in particular the reports to Parliament, which we felt did not contain enough information. This is partly related to the performance indicators. Efficiency cannot be measured without good performance indicators and targets that have been monitored over a period of time.

Also, comparing the two networks would have been useful, but as was explained earlier, the fact that accounting and financial information is calculated differently makes comparisons impossible for the time being.

Mr. Flageole could perhaps speak more about transparency.

• (0920)

Mr. Richard Flageole: Mr. Chair, I think that we are harking back to the discussion we had earlier. It is a matter of performance indicators. I think that it is extremely important for— If we look at the CBC's reports, there is a lot of information on results. I think that it is important to state expectations much more clearly. What is expected? What are the current results? The differences between what is expected and what is actually happening should be explained.

As for efficiency, it brings us back to the issue of information. We did a lot of work during this examination. If you are asking us whether the CBC's operations are efficient, the answer is that we were not able to come to a conclusion because the information we needed to make such a judgment was not available.

Mr. Maka Kotto: Okay. One of your recommendations for improvement—I am saying it for our analysts—would be to improve these parameters.

When they testified before the committee, some people suggested that the employees should be represented on the corporation's board of directors.

What do you think?

Ms. Sheila Fraser: Best practices in governance indicate that the members of a board of directors should be independent from a company. There are some examples of crown corporations where the employees are represented on the board, but these are mainly associations in which the employer, the clients and the employees are represented. There are very few. I think that they are pilotage corporations, for example. It is not a model for a large crown corporation. According to current practices, employees are not represented on boards.

[*English*]

The Chair: Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Chair, thank you very much.

I'd like to follow up on my colleague's question about the governance framework at the CBC, because questions have been raised about the existing system being deficient. The CEO has also been the chair of the board a number of times recently. We take our board and CEO from patronage appointments, as opposed to a head-hunting process. We've heard other examples of governance—for example, the BBC and some of the other public broadcasters. Have you examined how the governance structure for choosing the CEO and the board of directors at the CBC compares with that of other public broadcasters?

Ms. Sheila Fraser: We have not compared it with other public broadcasters per se. We have, though, done quite a bit of work on the governance framework for federal crown corporations and what the appointment process is, and we've made recommendations on that. In 2005 the government issued a new framework for appointments, which would involve, for example, much more of a process by the board in identifying potential candidates for the board. It would also involve them in the selection of the president of the corporation. But at the end of the day, it does remain the prerogative of the government to name the boards of directors and the president, because these are Governor in Council appointees.

But the corporations have done a lot of work. We did our first audit on crown corporation governance in about 2000, and we have noted a significant improvement, in which the crown corporations have developed profiles of the competencies they need for their boards of directors. In the recent 2005-2006 appointments, many of the corporations were using head-hunting firms to bring forward possible candidates, and the boards of directors, I would say, were more involved in that selection process than previously.

I'd just like to make a comment on the president becoming the chair. In the CBC there are two distinct positions—which was also a change that was made. There were certain crown corporations that did have a combined position, and that has been changed, I believe, in just about all; there may be one left. But there was also a recommendation brought forward that those two positions should be kept separate. It's only when the chair has resigned or left that the president becomes the chair, and then it's simply a question of the appointment of a new chair. So it's an interim situation.

● (0925)

Mr. Charlie Angus: You said that “CBC needs to continue to revisit its need for in-house production and determine whether to retain its current capacity based on the future direction of the CBC”.

In Toronto, for example, they're shutting down the design team. Questions have been raised about what is going to happen to the value of the props, the stock, the costumes. This is quite a resource in the hands of the CBC right now. If the design team is completely shut down, have you looked at the value of that and how it will be disposed of?

Ms. Sheila Fraser: No. That would be a decision of the corporation.

Mr. Charlie Angus: Okay. You talked about the need to make the “historical and cultural legacy available to the people of Canada”.

In our study we're looking at the numerous pressures on the corporation to fulfill its mandate with limited resources and whether

there is adequate funding to fully digitalize the back catalogue and put that on new platforms. Have you looked at that issue?

Ms. Sheila Fraser: I'll ask Mr. Flageole to respond to that.

Mr. Richard Flageole: Mr. Chair, we talk about this in the report, under section 122. We were very satisfied with what we saw at the CBC in terms of protecting this. They have made a lot of progress since the last examination we did, in 2000. They launched a major archive project and have restored and catalogued thousands of hours of material. They had a backlog at the time we did the examination and they were looking at how to handle that backlog. There were some funding issues on this, but again, they had to make choices and priorities. That was the situation we saw at the time, but I think it has progressed quite well.

The Chair: Thank you.

Mr. Fast.

Mr. Ed Fast (Abbotsford, CPC): Thank you, Mr. Chair.

Thank you for appearing before us.

I'd like to follow up on what Mr. Angus talked about at the beginning, the issue of governance. In section 38 of your report your statement is, “Overall, we found the core elements of a good governance framework in place”. As Mr. Angus and also Mr. Kotto have stated, the testimony before this committee doesn't necessarily reflect that. Quite a number of the stakeholders have had differing opinions. I'll refer to three of them.

First of all, the Friends of Canadian Broadcasting suggested that “...the CBC board of directors should be chosen at arm's length from patronage, drawn from the best and the brightest Canadians...”.

We had the Communications, Energy and Paperworkers Union stating, “At present, appointments are political and reflect poorly on government and the CBC/Radio-Canada. The current governance system, in fact, ensures failure.”

Then we had Mr. Manera and Mr. Neville, who I'm sure you're familiar with, who stated:

We propose that while the chair, vice-chair and all other directors would be appointed by the Governor-in-Council, such appointments should be subject to parliamentary confirmation.

They go on to say:

Furthermore, we recommend that the board of directors should be responsible for the appointment of the president.

These are different governance structures from what we currently have at the CBC.

You had a general comment on the appointment of the president, but I didn't hear you say whether you prefer the president to be appointed by the board and accountable to the board, as opposed to being appointed by the Governor in Council.

● (0930)

Ms. Sheila Fraser: I would start by saying, Mr. Chair, that we have to recognize that CBC is a crown corporation. The Government of Canada is the shareholder of this corporation. People can say it's political or it's not, but that is quite the reality of the environment in which it works.

So the government is the shareholder of CBC, and it is usually the shareholder who appoints the directors of any corporation. The important issue we were trying to get at when we were doing our audits on the framework of how these appointments are made is whether they meet the needs of the corporations. Is there good identification of the skills and competencies that are needed around the table to oversee these and to be members of boards of very large, very complex crown corporations?

We do not question in any way the prerogative of Governor in Council to name the board members. I think the best practice in the private sector, certainly, is that the board would name the president. There are a couple of crown corporations—two, I think—in which that is the case, in which it is the board that names the president. That practice might make the president, instead of the minister, more accountable to the board.

But I'm not sure that we've noted that having the Governor in Council name the president has been particularly problematic, as long as there has been a good rigorous process to select the best person for that position.

Mr. Ed Fast: What about the issue of confirmation of board appointees by Parliament?

Ms. Sheila Fraser: That is really, I think, up to government and Parliament to decide how they want to do that.

My only concern would be that we have seen in many past audits that the process is very long, that there are many boards that have vacancies, that people are sitting on boards without actually a mandate or that their mandate has expired. I would be, frankly, quite worried that adding more steps to it would slow the process down even more and in fact, in many of these crown corporations, really impede their ability to function.

Mr. Ed Fast: Regarding the role of the ombudsman, did you get a chance, in your special examination, to investigate the role of the ombudsman? Or did you deliberately overlook that?

Ms. Sheila Fraser: We did look at this in the whole issue of quality of journalistic practices. So we note in the report that there are two ombudsmen who act independently and report to the board annually. We looked at their report. I don't believe we would have gone much further than that. We might perhaps have had an interview with them.

Maybe Ms. Charron could elaborate on that.

Ms. Julie Charron (Principal, Office of the Auditor General of Canada): Thank you, Mr. Chair.

We did indeed look at the role of the ombudsmen. We have interviewed them both, and the ombudsmen report directly to the president and to the board of directors on an annual basis. They do present their report. We talk about that in sections 117 to 121 of our report.

The Chair: Thank you.

Mr. Scott.

Hon. Andy Scott (Fredericton, Lib.): Thank you very much.

Welcome. I'm certain that your contribution will be helpful to us.

There's an interesting note having to do with the relationship between related entities within the government—the CRTC, the department, the CBC—in a different way. But it did reveal itself even in the context of the discussions we had earlier about the Canadian Television Fund regarding where responsibilities lie and so on, without casting any blame, I think.

Is it clear? Does section 61 reflect some uncertainty on your part as to how that relationship works, or is it simply that you're recommending they have more interaction with each other?

Ms. Sheila Fraser: Well, as we note in 61—and I'll ask Mr. Flageole if he can elaborate any more—the various entities within that broader portfolio didn't necessarily have the same view of what the role of the public broadcaster was, its funding, or its strategy.

So we said the corporation really needed a process whereby you could bring those different people together and try to at least reach some agreement, or if there were differences of opinion, then better understand them. I think that's essentially what that was about.

● (0935)

Hon. Andy Scott: There may be a role for the committee. We intersect with each of these entities from time to time. It certainly would explain resource questions if the expectations the members of the committee and the Canadian public have of the CBC reflect one sense of the role of the CBC. If the government feels differently, it's going to be very difficult to reconcile those two views.

On the question of your assessment of their capacity or their ability to measure and/or meet their mandate requirements—I guess that's what the audit is about—do you speak to new media? I'm sure you do, but could you tell us what you say about that in the context of it being an emerging place for the CBC? If they're struggling, probably for resource reasons, to deal with broadcast and the sort of present and past in terms of what their mandate would be, it would seem to me that they are going to be particularly challenged to deal with the future.

Ms. Sheila Fraser: We do talk about some of the challenges they're facing—new media, new technologies, the capital funding that will be required for that, as well as the need to have strategies for new forms of advertising. And as was mentioned earlier, there's a fragmentation of the market. So there are a number of challenges that are facing the corporation, very significant ones.

I will ask Ms. Charron, who has been very helpful in passing me the reference, to talk specifically about new media.

Ms. Julie Charron: Thank you.

Actually, yes, CBC is involved in new media. They're looking at how they can integrate new media within the current platforms that they have. We have highlighted that in paragraph 27 of the report as a challenge they have to deal with and incorporate within their activities.

Hon. Andy Scott: Finally, on the question of governance, I heard you say that you wouldn't want many more processes involved in appointments, because very often people are waiting and so on. We've had recommendations from the industry and from third parties that perhaps we should have some kind of vetting system that would allow experts to identify potential board members.

I don't think this is intended to reflect on the quality of the people who have been on the board in the past, but it offers a level of quality control or a certain guarantee that there's an external, broad-based interest of experts who would recommend appointment by directors.

Would you see that as, at least potentially, an improvement—to assure that? I'm not saying that there's not quality there now, but just to make assurances of that. And if that were to happen, would the government not be more willing, perhaps, to let the board pick the president? If you have that guarantee, then I think you're less likely to want to make sure you pick the president to make sure that you have the guarantee there.

Ms. Sheila Fraser: We did an audit of the governance of crown corporations in 2005. We looked at what were best practices at the time in the private sector as well, and in other governments around the world. The real issue comes back to making sure that you have the competencies and the skills around the table to be able to fulfill the role of board of directors for what are very large, very complex organizations.

The process put in place at the time appeared to us to be—on paper, certainly—a good one. The boards would develop profiles. Those would be submitted. There was also discussion about setting up—I believe it has been established, but it may not be actually be functioning—a commission or an independent group that could receive applications from people, that would use search firms to go out and get people. The boards themselves were using search firms to go out and identify possible candidates, then would recommend a certain number of names, two or three names, to the government. Then the government could pick.

As long as there's rigour and you're really looking for people with the right competencies, that appears to us to be a reasonable process. I think there are other ways of doing it as well, but it's important that the board be involved in the selection. They know what they need around the table.

To have the board involved in the selection of the president is, I think, absolutely essential. We have recommended...and we saw several examples of where the board was very actively involved in the search process. Board members, such as the chair, would participate in the interviews and be a very active part of the selection.

I think that system can work well. I'm not saying that the other system, where the board picks, doesn't work; I guess I would just be a little cautious. We have some examples of where the board is largely made up of people from the private sector who may not be fully cognizant of some of the issues of a public sector corporation. If there isn't that kind of accountability back to a minister or to government, the government has to find another way to make sure that those board members and the president are fully cognizant of the issues in working in a public sector environment. We've seen issues as detailed as perks being given to presidents that were inappropriate in a public sector context but that in a private sector context would be absolutely appropriate.

So there's that kind of difference, and that sensitivity to public sector issues. There has to be a way to bring that to the board. Currently it's really through the minister that this happens.

● (0940)

Hon. Andy Scott: Thank you.

The Chair: Thank you for that.

Madame Bourgeois.

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Mr. Chair.

Good morning and welcome, Ms. Fraser, Mr. Flageole and Ms. Charron.

Ms. Fraser, on page 23 of your report, there is a section entitled, “CBC needs to enhance its strategic planning for horizontal issues”. I found this chapter very interesting, because I think it is the key to proper accountability and transparent management. We do not have much time, but I would like to ask you to clearly explain what strategic planning is and what parts of this planning we, as legislators, should focus on.

Ms. Sheila Fraser: In general, strategic planning is absolutely essential to provide direction for corporations that will be facing challenges or changes. With all the changes it must face, whether they be technological changes, new types of media, or greater fragmentation of the market, the CBC must create a plan that clearly sets out the likely changes and challenges for the coming years. It must also indicate what strategy it will adopt to face them.

A number of these changes, for example new technologies, will require additional funds. The corporation must identify them and start to look at how it will obtain these funds and over what period of time. It must even hold discussions with government in order to warn it about what is coming and how to prepare. This planning will help manage these issues properly as they come up, rather than in a panic.

Ms. Diane Bourgeois: As legislators, we should expect that when CBC representatives appear before this committee, they will present a three- or five-year plan. We should be in a position to know what financial resources have been allocated in terms of human resources to meet the corporation's objectives and how much it will cost. I do not know whether I am going too far, but I would add that the corporation should perhaps also have deadlines for meeting these objectives.

● (0945)

Ms. Sheila Fraser: I agree overall, but for some more long-term objectives, it would be hard to have very detailed plans. Still, the CBC would at least have identified the changes to come and their effects.

Ms. Diane Bourgeois: This would make it possible to compare from one year to the next.

Ms. Sheila Fraser: Yes. As well, there should be a good discussion on the likely changes and the resources that will be required as a result. It should also be determined whether there will be a change of direction in some sectors. There needs to be a discussion about the major impacts and the main strategies to counter them.

Ms. Diane Bourgeois: I am changing the subject a little, but it is still on the topic of the CBC.

Ms. Fraser, some witnesses said that the corporation's board of directors did not have the power to appoint or dismiss the president and CEO, evaluate his performance, which still falls somewhat within the area of strategic planning, or determine his salary. Some people thought that accountability would be improved if the board had this power.

What do you think?

Ms. Sheila Fraser: Under the current system, the president is appointed by the governor in council. We are not questioning the government's prerogative to appoint presidents of crown corporations. However, we believe that the board of directors should clearly play a very important role in choosing the president and evaluating his performance. In the private sector, the president reports directly to the board.

We do not really have any comment to make on this, but we believe that the board must play a very important role.

Ms. Diane Bourgeois: Thank you very much.

[*English*]

The Chair: Thank you.

Mr. Abbott.

Mr. Jim Abbott (Kootenay—Columbia, CPC): Thank you, Mr. Chair.

Thank you for being here today.

I have a question for you as to a position the CBC took for an extended period of time relative to the question of access to information. If I understand correctly, they were pretty consistently saying to me, as the opposition critic on heritage, that if the CBC were to come under access to information as a crown corporation, that would end up potentially compromising their commercial competitiveness with private broadcasters. I wonder if you would comment on that in that it's a done deal now they are going to be covered, but I wonder if we could have your perspective on that particular question as we move forward.

Ms. Sheila Fraser: I'm afraid, Mr. Chair, I'm not very much of an expert on access to information, but I do believe that the Access to Information Act does allow exclusions from releasing material that would be potentially harmful to the corporation and many of the crown corporations would use that provision if they believed information is going out that would be commercially sensitive, for example. I believe they also have an exclusion for anything that could be considered journalistic. There's a protection, as well, around some of the material that should be protected.

Mr. Jim Abbott: In the context of your role as Auditor General and the kinds of audits you do on corporations like the CBC, and specifically the CBC, would you like to comment with respect to the number of times the corporation ends up in a competitive situation with commercial competitors? I'm thinking of the Olympics, curling, and hockey. Do you have any comment on that?

Ms. Sheila Fraser: No. That is strictly a decision of the corporation, and it is permitted under their act. It's really the way they manage the corporation.

Mr. Jim Abbott: Thank you very much.

The Chair: Ms. Fry.

Hon. Hedy Fry (Vancouver Centre, Lib.): Thank you very much.

I realize the question I am about to ask you is possibly going to be outside your mandate, but I'm asking it anyway, because it is a huge problem—and you've mentioned it in paragraphs 29 and 30, and at the back on page 45. It has to do with the conflict between the CBC's mandate to be a public broadcaster and to have quality Canadian programming, and its need to be competitive and therefore to buy advertising. It is obvious that the CBC has to go out for advertising, since it doesn't have the funds it needs from the public sector or government. So there is a conflict there.

The second part is about its need to keep up and compete in terms of technology, in terms of digital media. It really needs to move forward, if it's going to be truly competitive. To do that, it needs money.

The third part, of course, is how does it get on those platforms and move forward?

So we have the issue of competitiveness and advertising and how the CBC can perform properly in terms of achieving its mandate while trying to do that. It begs the question of, should the CBC be freed of its reliance on an advertising budget? How would that change the structure and the mandate and the reporting of the CBC, its governance, etc.? Would it necessarily do so?

● (0950)

Ms. Sheila Fraser: That's a very interesting question, which is outside our mandate. We of course do these audits in the context of the mandate that is given to the CBC, and we are expressly precluded from commenting on the mandate.

We do note, though, the challenge for the corporation of reconciling the fact that it is competing with private broadcasters and its public policy role. Some people can view these as being in conflict, and we're stating in here—as we actually say to many crown corporations—that it is very important that they clearly outline how they interpret their public policy role and how they reconcile it with any transactions they do that are more commercial in nature. The CBC is probably one of the most significant crown corporations carrying out more commercial activities, so it is important that they define it. But I would say this really goes back to the mandate given to the CBC. At this point, it is perfectly permissible for them to do these kinds of activities, and I would suspect they view these as important in generating revenue to allow them to face many of the challenges they have.

So, would it change? I don't know. It wouldn't change the governance structure. It would still be like any other crown corporation; you would still have to have people on the board who were familiar with the industry, irrespective of how that happened. It would obviously have a much different mandate and obviously a much different financing arrangement.

Hon. Hedy Fry: Have you seen, in your own measurement of their performance, that they have had a difficult time achieving the performance required of them, in terms of their mandate, because they have had to rely so much on advertising and to compete so much with the private sector? Has it impaired their ability to perform as well as they could?

Ms. Sheila Fraser: Well, I think that comes back to the whole issue, as I mentioned earlier, of performance measures and objectives, and how they define their role as a public broadcaster, and the various strategic objectives they set for themselves. In programming, they have measures for that and are able to demonstrate, to a certain degree, what they're doing there; but in the others, they don't have those measures and are currently working on them. So it really is a case of defining concretely what is meant by a public policy role, and then how to measure that.

The Chair: Mr. Fast.

Mr. Ed Fast: Thank you, Mr. Chair.

I'd like to go back briefly to the issue of the ombudsman. Paragraphs 117 to 121 deal with journalistic practices, but they don't actually get into the role of the ombudsman, specifically. There was at least one witness who appeared before us during the mandate review who suggested that the mandate of the ombudsman should be expanded to include a specific reference to ensuring that journalistic balance is maintained, because, as you might expect, there are Canadians who believe the CBC doesn't necessarily present a balanced view. Now, that's probably a minority view, but we do have Canadians who hold that perspective. It was suggested that the role of the ombudsman could be expanded to ensure that not only are good journalistic practices being followed, but also that there is journalistic balance, in terms of the programming that occurs.

• (0955)

Ms. Sheila Fraser: We would not have looked at questions like that. We simply noted the fact that there were ombudsmen there, and discussed with them and looked at their reports. We would not have gone into any kind of analysis of their mandate.

Mr. Ed Fast: Is that something you could see yourself doing in a future review—looking a little more closely at the role of the ombudsman?

Ms. Sheila Fraser: To be quite honest, probably not. It really is almost getting into areas of policy within the CBC itself. In a special examination like this, we are really focusing on the much more strategic high-level kinds of issues in a corporation this size. I sincerely doubt we would look at that.

Mr. Ed Fast: Let me deal with the management of program rights. Some of the testimony before this committee came from the producers of content, the creators of content. They complained that the CBC wasn't acting fairly in how they negotiated and managed the rights. Some of these creators said they were being cut out of rights for other media platforms. They were perhaps being compensated for the traditional broadcasting platform, but not for the new media.

Did you hear any of those complaints during your review? Do you have any comments?

Ms. Sheila Fraser: We really looked at the question of the program rights they had acquired and how they were managing them. We noted there were fairly significant hours of programming in inventory, and basically said they needed to manage them better.

I don't believe we would have gone into other questions about how they managed. I'm actually just saying that there's negotiation overall and at times it might include new media. But those are really

business decisions of the CBC, and we wouldn't look at those kinds of issue.

Mr. Ed Fast: You went into in a fair bit of detail on the revenue-generating activities. Following up on Ms. Fry's comments, were you able to determine at all whether the current reliance on commercial advertising revenues has in any way influenced CBC's ability to fulfill its mandate?

Ms. Sheila Fraser: I'm not sure we would have looked at that issue per se. It goes back to defining your public policy role and how you reconcile those two activities or ensure that one does not impede upon the other.

But I believe that those commercial activities are profitable and in some sense would generate money that could be used, for example, in the rest of the corporation.

Mr. Ed Fast: This committee has heard quite divergent views on whether commercial revenues should be part of what CBC does. Some are suggesting CBC should be completely commercial-free. Some are suggesting there's a small role for commercial advertising to play. Others are saying that if we want a robust CBC we're going to have to keep the current commercial revenues and top them up with additional long-term, stable government funding.

From the testimony you've given, it appears that you're not aware of a significant impact that those revenues have had on CBC's ability to fulfill its mandate.

Ms. Sheila Fraser: I'm not sure that we would have really looked at that. We did this audit within the context of the mandate that is currently being given to CBC. Discussion about whether that mandate should be changed or not is obviously up to this committee and others. We wouldn't have gone into that kind of analysis.

We simply noted that there was some criticism of the fact that they were in more commercial kinds of activities, and that they should be very clear about defining how they feel they're meeting their public policy role and they should take that into account in addressing that criticism.

Mr. Ed Fast: You didn't see any obvious red flags.

Ms. Sheila Fraser: We didn't see any obvious red flags, but we were doing this within the context of the current mandate.

Mr. Ed Fast: Understood.

Thank you, Chair.

The Chair: Thank you for that.

Mr. Angus.

Mr. Charlie Angus: I'd like to follow up on the question of managing program rights. You mentioned that in the catalogue for 2005 they had 5,200 hours of available programming in French, and about 5,800 hours in English. They regularly show a program only once or twice, but they have the rights for some time. Have you looked at how that catalogue of present programming is being utilized? Is it being put onto new platforms, or is it sitting on the shelf with the rights tied up?

•(1000)

Ms. Sheila Fraser: When we did this audit—and it may have changed since, because they have put someone in charge of managing it—we found it really wasn't being managed as rigorously as we would have expected, so it wasn't clear how that inventory would be used. The CBC would have acquired something and have several plays on it, would have done it twice, and there would be no value left, essentially, on the books of the corporation, but it wasn't clear to us. Was there still a value to that? Were they planning to air it again or continue airing it? Then it brings up the question we noted when we compared it to the private broadcasters. When they pay for a certain number of airings of a program, they will generally do that. It raises a question about the value of that inventory and that it needs much more rigorous management, but we didn't see the kinds of information you would expect.

Mr. Charlie Angus: To follow up on that, as we've heard—we've heard from producers, we've heard from creators—when a program's made, whether it's CBC or whether it's a private broadcaster, they're going to want to grab the rights for as long as they possibly can, but whether or not they're using the value of that production is a big question.

The other question that comes out of it, if they start to use it on cellphones or iPod downloads or viewing on the net, how are the creators going to be remunerated, whether or not those rights have been given up for any residual payback?

Have you looked at how the royalties would be paid on any of these new platforms or if they're putting in place a structure to deal with that issue?

Ms. Sheila Fraser: No, I don't believe we would have looked at that. That would simply be with whatever was negotiated within the particular agreements, but we wouldn't have gotten into the broader question. That's something, obviously, they would have to address, have to answer.

Mr. Charlie Angus: You've spoken about how staff had undergone “considerable stress as a result of budget cuts, staff reductions, and reorganizations, which had reduced creative opportunities for staff and affected their morale and commitment”. We've looked at the issue. A number of big-buy issues have to come forward very soon: getting ready for high definition, what to do about replacing the analog towers, whether to use them or to dismantle them. There are certainly a number of big capital issues coming before CBC. Given their stretched budget, the question has to be asked: what steps are in place to take on the kinds of investments that will be needed in a very short space of time?

You said “The Corporation needs to demonstrate and communicate the need for additional funding for those strategies to the Prime Minister and Parliament.” Do you believe at this time that CBC is underfunded in key areas?

Ms. Sheila Fraser: I really can't make a judgment on that. I think it's up to the CBC to demonstrate if they have sufficient funding or not.

What we were relating to here was the very significant investments that will have to be made in new technologies, that there will be funding required for that, that they should begin that

discussion earlier rather than later, and certainly make people aware of what is coming. So it was more in that context.

Mr. Charlie Angus: When you were looking at their plans, do they seem to have a short-, medium- and long-term plan in place to deal with the kinds of capital investments that will be needed to keep pace in the 21st century?

Ms. Sheila Fraser: As I said earlier, we mentioned in the strategic planning that they need to have a better strategic plan, which would obviously take into account issues like new technologies. We also mentioned in here, because you mentioned employees, that they need to have much better management of change, given that there will be significant changes over the next few years. They need to ensure that employees are aware of this, and that's incorporated into everything they do.

Mr. Charlie Angus: Thank you.

The Chair: Thank you.

Mr. Scarpaleggia.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Thank you, Mr. Chair.

Thank you for being here, Ms. Fraser.

When we talked about the stock of programming that is not being aired to its maximum potential, there's sometimes the perception that private sector organizations are better negotiators, they get better value for their money and so on. Are you able to draw a general conclusion about the negotiating skills of the corporation vis-à-vis the outside world?

•(1005)

Ms. Sheila Fraser: No.

Mr. Francis Scarpaleggia: Okay, that's fine.

When I speak to people about the CBC, they fall into two camps. There are the people who love the CBC—I'm one of them—and who love its programming and so on. Then I get from other people comments about how much waste there is, how the overhead is too high, and so on. I've heard that from people who have worked inside the CBC.

I'm wondering if you can comment on that. Or would you actually be going back to your point that the measurement systems don't exist to draw that conclusion?

Ms. Sheila Fraser: That is essentially what our special examination says. We are required to give an opinion as to whether the corporation has the systems in place to demonstrate efficiency and effectiveness. We note the significant deficiency that they aren't able to demonstrate that because of the performance measurement system and the lack of comparative information even between the two networks.

So that has to be worked on before we can draw that kind of conclusion.

Mr. Francis Scarpaleggia: As I understand it, you're required to do this kind of audit of the CBC every five years or so. How would you compare conclusions? I mean, you must have come to pretty much the same conclusions five years ago. Have you noticed any improvement?

I'm sure someone said to them five years ago, ten years ago, even fifteen years ago that they didn't have the systems in place to measure if they were efficient or not. This is an old corporation. It seems odd to me that 50 years after its founding—or even more than that, 80 years after its founding—we still don't seem to be able to draw a conclusion as to whether it's an efficient operation or not.

I would like your comments on that.

Ms. Sheila Fraser: We did the previous special examination in 2000. In that report, we actually noted four significant deficiencies. We noted significant deficiencies in the strategic management; in governance relationships, performance information, external accountability; people management; and facilities management. We have noted a significant improvement in many of the areas, as we note throughout the report. I would say that facilities management in particular was a major issue in our report in 2000.

Quite honestly, the corporation has done a lot of work in a relatively short period of time to address those deficiencies. The fact that its performance management is somehow a little more...well, it doesn't bother me quite as much. Performance management is very difficult, and many government departments and crown corporations are struggling with that as well. It does often take time to identify the measures and then to put the systems in place to be able to capture the information. Then you need a timeline over that.

So the fact that they haven't resolved all of that within five years is not surprising. That they have resolved the other three significant deficiencies is to their credit, I think.

Mr. Francis Scarpaleggia: Thank you.

The Chair: Thank you.

Mr. Brown.

Mr. Gord Brown (Leeds—Grenville, CPC): Thank you very much, Mr. Chairman.

Thank you to our witnesses.

First I have a comment. I appreciate that your mandate in this is quite narrow and that a lot of our questions are outside the mandate of the CBC, so you can really only comment on that. It's too bad, because I'm sure you'd like to tell us a few other things.

I do have one question. Going back to your report, you say the following:

We noted, however, that the development and use of targets to set performance expectations varies among the media lines and other corporate functions; some have clear and measurable targets, while others do not.

You also say that the lack of such targets makes it difficult to assess how well the corporation is fulfilling its mandate.

Could you give us an example of a case where there were clear and measurable targets and a case where there weren't, and how they might improve?

Ms. Sheila Fraser: Thank you, Mr. Chair.

I'll ask Ms. Charron to respond.

• (1010)

Ms. Julie Charron: We did see clear targets in the area of French radio specifically. Unfortunately, I cannot give you a specific

example, but I know that in their internal plan they had very specific performance indicators.

As for the other networks, in some cases they had—

Mr. Gord Brown: I don't mean to interrupt, but what kinds of performance indicators? I'm trying to get an example here of what you're talking about.

Ms. Julie Charron: For example, in French radio they wanted to increase the coverage throughout the country. They had set a specific target to increase to 90% coverage throughout the country by a certain date. In that case, we could measure whether they were meeting the expectation or not.

In the other media, we did not have such specific cases. They had broader performance targets—for example, “to meet the needs of Canadians”. There were no specifics as to what exactly they wanted to achieve.

Mr. Gord Brown: Are there any suggested areas in which they may put some targets that could help us measure them? We've been hearing from a lot of witnesses what they think the CBC should be, and I think this committee is doing a great job of pulling that information out of witnesses so that we can make recommendations to the government. Is there anything that fits that?

Ms. Sheila Fraser: There are, to the best of our knowledge. Certainly at the time we completed this, they had begun to work on a much more robust set of performance measures generally in the corporation. We note—I think in their latest report—that they're progressing on that. So we would expect that they have certainly at least started to develop more performance measures in all of the media. We haven't gone back to actually see if that is the case or not.

Mr. Gord Brown: All right. Thank you very much.

The Chair: Thank you for that.

Since we have gone through the full round, is there anyone else who would have a short question for our witnesses?

First we'll go to Mr. Abbot, and then we'll go to Mr. Kotto.

Mr. Jim Abbott: This is just a very quick question, and I do not want it to be a rhetorical question. I am not leading you. I would like a very independent answer.

In listening to your testimony a few minutes ago with respect to appointments, particularly with respect to the CBC, if I heard your testimony earlier correctly, you were talking about having a broadcasting background for people who would be appointed. I'm not asking you to comment on the government's nominee for the chair. However, my question obviously has to do with that. That is, considering that this is a billion-dollar corporation, for most executive positions, or the most executive position, I wonder if you could give this committee the benefit of your analysis of the importance of broadcasting expertise versus corporate expertise.

Ms. Sheila Fraser: I would say that for any large crown corporation, a knowledge of the business in which the corporation operates is important for the board of directors. So at the table, there need to be people who have knowledge of that business. I would not say, though, that the chair necessarily has to have that particular knowledge, but those around the table do. That brings up, of course, the whole question of conflicts of interests and of having a rigorous process for ensuring that those potential conflicts are dealt with appropriately. But I think it is important that given the complexity and the size of this corporation, we can appreciate that some of those people around the table have to have knowledge of the industry.

Mr. Jim Abbott: However, if we're talking about the appointees at the very top, which in this case would be the chair, then it's more a case of financial expertise, I would think.

Ms. Sheila Fraser: The boards of most of the crown corporations—I'd say all of them—have developed the profile of competencies they need around the table. As long as the people have those competencies as a group, the chair doesn't necessarily have to be one or the other. It's as a group that they have to be there.

Mr. Jim Abbott: Thank you.

The Chair: Mr. Kotto.

[*Translation*]

Mr. Maka Kotto: I have three simple questions.

Do you think the CBC is underfunded?

•(1015)

Ms. Sheila Fraser: I cannot answer that question because we do not assess the level of funding of crown corporations.

Mr. Maka Kotto: Okay.

What is the inspiration and motive behind the recommendation you made in point 113? Do you think the corporation's response is satisfactory?

Ms. Sheila Fraser: We noted that rights were not sufficiently well managed to determine whether a value should be used. Yes, we are satisfied. In the English network, I believe, the corporation has already entrusted the management of rights to a director. We see that these people are already more aware of the problem and will ensure that rights are properly managed.

Mr. Maka Kotto: Some witnesses told us that involving all the crown corporation's resources would help it obtain better results.

What do you think?

Ms. Sheila Fraser: Could you explain what you mean by "resources"? Are you talking about the employees?

Mr. Maka Kotto: The employees, the creative force of the CBC's partners.

Ms. Sheila Fraser: I think we mention this in the report, but the corporation absolutely must establish very important relationships. Moreover, that is one of its strategic objectives. These people talk about creative human resources and collaboration with partners on their site. It is essential for the success of the corporation.

Mr. Maka Kotto: Thank you very much.

[*English*]

The Chair: We'll have Mr. Scott.

Hon. Andy Scott: I'm a little curious about a reference to Radio-Canada radio getting a certain market share. You were recognizing, or noting, that there was a measurable outcome you could judge their performance against.

Given the fact that the exercise is about CBC's performance against its mandate as a public crown, how do you determine an appropriate strategy for a crown to measure it against? In other words....

Ms. Sheila Fraser: Can I just interrupt, Mr. Chair?

We do not measure. We do not assess the corporation against its mandate. We are assessing whether they have the systems and practices in place to demonstrate, essentially, efficiency, economy, and effectiveness. We expect the crown corporation itself to define how it views its public policy role and what its objectives are, to set measures for those, and to measure itself in its own performance.

Hon. Andy Scott: So you're silent on the question of whether the strategy is the right strategy. You're simply interested in whether they have systems in place to measure their performance against it.

Ms. Sheila Fraser: That's correct.

The Chair: The last questioner is Mr. Fast.

Mr. Ed Fast: I'll get back to the performance indicators as perhaps the most obvious and most important of the criticisms your report contained. Do you follow up on whether CBC is actually addressing the concerns you've raised? I mean, do you follow up before the next five-year review?

It's been a year and a half, at least, since your report was issued. By now we'd have some idea of whether CBC is actually addressing those concerns. As individual members of this committee, we probably don't have the same expertise you have to determine that. Do you conduct a follow-up?

Ms. Sheila Fraser: We do. In addition to special examinations of crown corporations, of course, we do the financial audit each and every year. There is some discussion with the crown corporation about what they're doing and whether they are meeting the action plan they set out.

In the case of the CBC and others, we also look to what measures they have in place. Have they done an action plan? In this case, they did a very detailed action plan. I think it was some 30 pages or more. We look at the process they have internally to ensure that the action plan is meeting its targets.

CBC has involved their internal audit in tracking this. They also have reports to the audit committee, which also follows that. So that gives us some assurance that the corporation is taking this seriously and is working on it.

When we go back—and a year and a half is still fairly early for some of these recommendations, especially performance measurement and systems—we will look, when we do our financial audit, just to make sure things seem to be progressing as planned. We don't go back in, though, and do a re-audit until we go back for the next special examination.

•(1020)

The Chair: Thank you for that, and thank you for your answers to the many questions from around the table this morning.

We'll take a short recess, and then we'll come back to our business.

Thank you.

•(1020)

(Pause)

•(1025)

The Chair: I call the meeting back to order.

As we go forward, there was notice of motion by Maka Kotto. He has two motions.

Would you please read the first motion, Mr. Kotto?

[*Translation*]

Mr. Maka Kotto: Mr. Chair, the first motion reads as follows:

Pursuant to Standing Order 108(1), that the Committee on Canadian Heritage, through its chair, call on the Minister of Canadian Heritage in writing and as soon as possible, in the interest of accuracy, honesty and transparency in the management of public funds, to present to the Standing Committee on Canadian Heritage the draft of the new support program for exhibitions and festivals, including the criteria for selecting events and funding arrangements, and to make this information available as soon as possible so as to allow the Committee to make an informed decision on the program in the interest of Quebec and Canadian organizations that may qualify.

•(1030)

[*English*]

The Chair: Debate?

Would you like to explain your motion further, please?

[*Translation*]

Mr. Maka Kotto: Okay. Mr. Chair, I should remind the committee members that this motion was tabled after we received a request from the heritage minister to provide examples of local activities in our ridings that, in our opinion, should receive federal funding. She also asked us to say whether each one was an artistic activity or an activity celebrating heritage. This request was made to us one week after members of her own caucus received it, according to some sources. Only after this came to light did she feel obligated to invite us to participate.

Since the request did not specify the program criteria or standards, I would like to ask her to provide a draft of the program to the committee, through you.

[*English*]

The Chair: Mr. Abbott.

Mr. Jim Abbott: Mr. Chairman, I want to deal with the content of the motion in just a second, but before I do, I want to propose an amendment to the end of the motion: "...to make an informed decision on the program in the interest of Quebec and Canadian organizations that may qualify." I would like to delete "Quebec" and "Canadian"; that is to say, "...to make an informed decision on the program in the interest of organizations that may qualify."

I take Mr. Kotto as being an honourable gentleman. I'm sure it wasn't intended on his part, but nonetheless to set the precedent of segregating Quebec and Canadian I think is a very, very dangerous

precedent. I am moving this motion and appealing to my federalist colleagues that they would support me in this motion.

Mr. Chair, of course it's up to you how you conduct your meeting, but after we've dealt with that amendment, then I would like to speak to the main motion as amended.

The Chair: Okay. Debate on the amendment?

Mr. Scott.

Hon. Andy Scott: Just to be clear, all we're doing is removing the reference: "in the interest of Canadian organizations that may qualify."

Mr. Jim Abbott: "Quebec and Canadian".

Hon. Andy Scott: The outcome would be simply to eliminate "Quebec and". It would include all Canadian organizations.

Mr. Jim Abbott: Yes, it would include all...it's not "or all Canadian". I don't think that's really necessary, because it's only Canadian organizations that would qualify in any event.

Hon. Andy Scott: So it's "Quebec and Canadian", okay.

Mr. Jim Abbott: Yes.

The Chair: Any other debate?

Mr. Kotto.

[*Translation*]

Mr. Maka Kotto: As my literature professor would say, we are nitpicking. If we want to be logical, the reality is that there is no reason to exclude the words "Quebec" and "Canadian". I do not see how this is relevant. I am not convinced that what my honourable colleague is doing is relevant.

[*English*]

The Chair: Mr. Abbott.

Mr. Jim Abbott: At the risk of getting into a long debate, I think the exclusion of it makes it simpler. But as a federalist, I would say "in the interest of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and all other provinces" and Canadian interests. Otherwise I don't see the point of Quebec and Canadian.

As I say, I'm taking Mr. Kotto as being an honourable gentleman, and I'm sure he didn't intend this as being a problem.

The Chair: Ms. Bourgeois first, and then Mr. Kotto.

[*Translation*]

Ms. Diane Bourgeois: Thank you, Mr. Chair.

Given that Quebec is recognized as a nation and that currently—I checked—all the funding awarded by Canadian Heritage has gone to western Canada—and I challenge anyone here to find any money the minister has given to people in Quebec—I would like to leave the words "Quebec" and "Canadian", please.

•(1035)

[English]

The Chair: I will go to Mr. Angus first.

Mr. Charlie Angus: Thank you.

I don't think we should debate this for too long. I think we need to get to the substance of the motion. I would support it. I think it's simple. It says the organizations. We're not getting into politics here. We're simply saying organizations. That's self-evident, but I think we need to get on to the main issue of the motion. Last time we barely got the last motion through by 11 o'clock, and we have two motions today, so I would support that.

The Chair: Mr. Kotto.

[Translation]

Mr. Maka Kotto: Thank you, Mr. Chair. I already gave my opinion.

[English]

The Chair: Mr. Scarpaleggia.

Mr. Francis Scarpaleggia: I take Mr. Abbott as an honourable gentleman as well. If he's suggesting that the motion be amended, would he propose that amendment and would his side support that amendment?

Mr. Jim Abbott: I am proposing the amendment to delete "Quebec and Canadian", those three words.

Mr. Francis Scarpaleggia: Would you support the amended motion, then?

Mr. Jim Abbott: Not necessarily. I want to get to—

The Chair: We're talking about the amendment here right now.

Mr. Clerk, please.

Mr. Chad Mariage (Procedural Clerk): Yes. The amendment to the motion, Mr. Chair, reads as follows:

That the motion be amended by deleting the words "Quebec and Canadian".

(Amendment agreed to)

The Chair: Mr. Abbott.

Mr. Jim Abbott: I would like to speak to the amended motion.

The Chair: Mr. Abbott would like to speak to the motion.

Mr. Jim Abbott: The motion as amended, Mr. Chairman.

For the interest of the committee, it's the intention of the government members to vote in favour of motion two, but we are not going to be voting in favour of motion one.

The process that is currently in play is that—

The Chair: Motion two has not been read to the committee yet.

Mr. Jim Abbott: We will be voting against motion one because the process that's currently in play is the creation of the criteria. It's an unusual process against the way things have historically been done, at least in the time that I've been a member of Parliament here, where the minister is coming to the members in an effort to create criteria. We can't support this motion because it's calling for a draft of something that simply doesn't exist at this particular point. So we will be voting against this motion.

(Motion as amended agreed to)

The Chair: Mr. Kotto, would you please read your second motion?

[Translation]

Mr. Maka Kotto: Yes. The motion reads as follows:

That pursuant to Standing Order 108(1), in the spirit of honesty, accuracy and transparency in managing public funds, the Standing Committee on Canadian Heritage asks that the Government release information on its new assistance program for exhibits and festivals, specifically the terms and conditions for selecting events to receive assistance and methods of funding, and that it make this information available as soon as possible so that we are in a position to make an informed decision about the program, in the interests of the organizations in Quebec and Canada that may be eligible for assistance, and that the report be tabled in the House through the Chair as soon as possible.

•(1040)

[English]

The Chair: I've been advised by the clerk to make the French and English really coincide here, to be right on.

In the second-last paragraph in the English, where it says "and that the report be tabled...", it should be changed to "and that a report be tabled in the House...".

[Translation]

Mr. Maka Kotto: This report—

[English]

The Chair: The French is fine. We're just changing the English.

[Translation]

Mr. Maka Kotto: I understand, Mr. Chair.

[English]

The Chair: Again, would you like to speak to the motion, sir?

[Translation]

Mr. Maka Kotto: Since the members of the government did not support the first motion, which was expected, we drafted this second motion in the event this first step failed, in order to accomplish what we set out to do, which was to obtain information justifying Ms. Oda's invitation to provide a list of special events in our ridings. If the motion is approved, it could also lead to a debate in the House, unlike the first motion. It is a question of transparency: the public would be informed of what exactly is going on.

[English]

The Chair: Okay, thank you.

Mr. Abbott.

Mr. Jim Abbott: Again, I would propose the same amendment, the deletion of the words "Quebec and Canada". It's the intention of the government members to vote in favour of the motion if it is amended.

The Chair: Would anyone else like to speak to the amendment?

Mr. Kotto.

[*Translation*]

Mr. Maka Kotto: Mr. Chair, I would like my colleague to clearly and honestly tell us why this time he is reiterating that he wants to remove the words “Quebec” and “Canada”.

[*English*]

The Chair: Mr. Abbott.

Mr. Jim Abbott: Well, in reading this, “in the interests of the organizations that may be eligible for assistance” covers the entire topic. There is no reason for the words “Quebec and Canada” to be there. Because of the distinction that our friends in the Bloc Québécois make between Canada and.... If I may, for Madam Bourgeois, I believe she will find that the motion in the House that was accepted by the House was to recognize the Québécois as a nation, not Quebec. There is a very important distinction there.

In this instance, because this issue of Québécois, Quebec, Canada, is an issue in Canada, whether we like it or we don't like it, the inclusion of “Quebec and Canada” in this motion doesn't add anything. As a matter of fact, it adds a distraction to the motion. The government couldn't possibly support this as currently written. This is why we're asking for the exclusion of the words “Quebec and Canada”.

(Amendment agreed to)

(Motion as amended agreed to)

• (1045)

The Chair: Thank you.

The meeting is adjourned.

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