

# **Canadian Artists and Producers Professional Relations Tribunal**

## **Performance Report**

For the period ending  
March 31, 2006

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The Honourable Jean-Pierre Blackburn  
Minister of Labour  
Minister of the Economic Development Agency of  
Canada for the Regions of Quebec



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## SECTION I – OVERVIEW

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### Chairperson's Message

In 1992, Canada became the first country in the world to enact legislation providing collective bargaining rights to self-employed artists. With the passage of the *Status of the Artist Act*, the Government of Canada recognized the important contribution of artists to the cultural, social, economic and political enrichment of the country. It also underscored the importance of compensation to artists for the use of their works, the right of association and expression for artists and producers, the right of artists' associations to promote the professional and socio-economic interests of their members, and the right of artists to have access to advisory forums where they may express their views.

The *Status of the Artist Act* provides a legal framework for conducting collective bargaining and resolving disputes as well as enforcing the *Act's* obligations. By encouraging constructive professional relations, which are key for cultural activity to thrive, the *Act* contributes to our cultural sovereignty, to income security and employment for Canadians, and to a vibrant Canadian culture and heritage.

The Canadian Artists and Producers Professional Relations Tribunal continues to make progress in achieving its strategic outcome: encouraging constructive professional relations between self-employed artists and producers under its jurisdiction. Over the past eleven years, the Tribunal has defined 26 sectors of artistic activity and has certified 24 artists' associations to represent these sectors. At least 25 first agreements have been reached, including some with government producers and specialty television services.

In 2002, as required by the *Act*, the Department of Canadian Heritage conducted a review of the *Act's* provisions and operations. Among the proposals that resulted from the review was the recommendation to amend the *Act* to introduce the possibility of arbitration in negotiations for a first contract. The Tribunal strongly endorses this recommendation. Such a change would facilitate the conclusion of negotiations following the certification process and would make the *Act* consistent with the *Canada Labour Code* and Quebec's status of the artist legislation in this regard. The Tribunal also supports the recommendation that the process for adding professional categories to be covered by the *Status of the Artist Act* should be reviewed. The present process is cumbersome and lengthy, and it should be streamlined so that additional artists as appropriate may benefit from the *Act*. As well, the Tribunal supports the creation of an association of government producers that would negotiate with artists' associations, replacing the longer and more costly process of individual negotiations.

An amendment that was not suggested in the review, but that the Tribunal believes would be beneficial, relates to provincial status of the artist legislation. As yet, the only province that has enacted status of the artist legislation is Quebec, but several other provinces have been considering doing so. The Tribunal believes that, where a provincial statute and the *Status of the Artist Act* are substantially uniform, there would be

advantages in an amendment to the *Status of the Artist Act* that would permit the Minister and the province to agree that the Tribunal would administer the provincial law on behalf of the province. This would allow the provinces to take advantage of the expertise and resources of the Tribunal, and contribute to consistent administration of similar legislation. A similar provision is found at section 120 of the *Canada Labour Code*.

## **Management Representation Statement**

I submit for tabling in Parliament, the 2005-2006 Departmental Performance Report (DPR) for the Canadian Artists and Producers Professional Relations Tribunal.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005-2006 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 Tribunal's approved Program Activity Architecture structure as reflected in its Management Resources and Results Structure;
- 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.

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John M. Moreau, Q.C.  
Acting Chairperson and Chief Executive Officer  
September 14, 2006

## Summary Information

<p><b>Reason for existence</b>          The Canadian Artists and Producers Professional Relations Tribunal administers Part II of the <i>Status of the Artist Act</i>, which governs professional relations between self-employed artists and producers in the federal jurisdiction. In so doing, CAPPRT contributes to developing constructive relations between these parties.</p>
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### Financial Resources

Planned Spending	Total Authorities	Actual Spending
\$1,827,000	\$1,793,880	\$1,086,144

### Human Resources

Planned	Actual	Difference
10	10	0

## Tribunal Priorities

Status on Performance		2005-2006		
		Planned Spending	Actual Spending	
<b>Strategic Outcome</b>	Constructive professional relations between self-employed artists and producers in CAPPRT's jurisdiction			
<b>Alignment to GOC Outcomes</b>	Contributes to: <ul style="list-style-type: none"> <li>• Income security and employment for Canadians, and</li> <li>• A vibrant Canadian culture and heritage.</li> </ul>			
<b>Priority No. 1</b>	Prompt and high quality processing of cases	Achieved	\$1,000,000	\$679,000
<b>Priority No. 2</b>	Fully informed and assisted clients	Achieved	\$600,000	\$407,000
<b>Priority No. 3</b>	Work on amendments to the <i>Act</i> and other changes, to make <i>Act</i> and negotiation process more effective	Ongoing	*	

\* No specific budget was allocated to this priority, as the cost is included in the first two priorities.

## Overall Description of Tribunal Performance

### Mandate, Role and Responsibilities

Since 1995, the Canadian Artists and Producers Professional Relations Tribunal has administered Part II of the *Status of the Artist Act*, which governs professional relations (labour relations) between self-employed artists and federally regulated producers. The Tribunal is a quasi-judicial, independent federal agency. It reports to Parliament through the Minister of Labour. The Minister of Canadian Heritage also has responsibilities pursuant to Part II of the *Act*.

The Tribunal is one of four agencies that regulate labour relations in the federal jurisdiction. The other three are the Canada Industrial Relations Board, which deals with labour relations mainly between private sector employers in the federal jurisdiction and their employees, the Public Service Labour Relations Board, which deals with labour relations between most federal government institutions and their employees, and the Public Service Staffing Tribunal, which deals with complaints from federal public service employees related to internal appointments and lay-offs. Under the Canadian Constitution, provincial legislatures are responsible for regulating labour relations between the vast majority of workers and employers. The federal government has the authority to regulate labour relations in a small number of industry sectors, including broadcasting, telecommunications, banking, interprovincial transportation and federal government institutions.

The Tribunal's jurisdiction covers broadcasting undertakings regulated by the Canadian Radio-television and Telecommunications Commission, federal government departments, and the majority of federal agencies and Crown corporations (such as the National Film Board, the National Arts Centre and the national museums).

The self-employed artists within the Tribunal's jurisdiction include artists covered by the *Copyright Act* (such as writers, photographers and music composers), performers (such as actors, musicians and singers), directors, and other professionals who contribute to the creation of a production, such as those doing camera work, lighting and costume design.

The Tribunal has the following principal statutory responsibilities:

- To define the sectors of cultural activity suitable for collective bargaining between artists' associations and producers within the Tribunal's jurisdiction, and to certify artists' associations to represent self-employed artists working in these sectors; and
- To deal with complaints of unfair labour practices and other matters brought forward by artists, artists' associations or producers, and to prescribe appropriate remedies for contraventions of Part II of the *Act*.

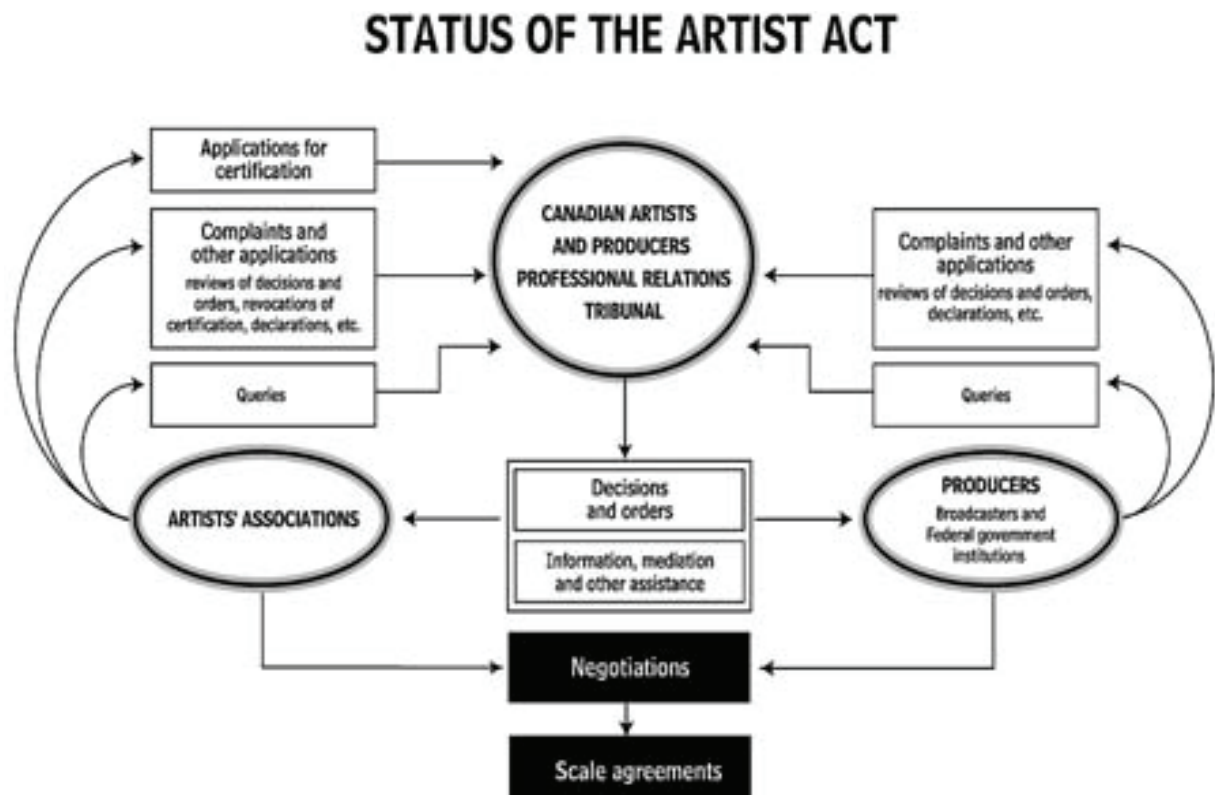
By following the procedures specified in the *Act*, certified associations have the exclusive right to negotiate scale agreements with producers. A scale agreement specifies the minimum terms and conditions under which producers engage the services of, or commission a work from, a self-employed artist in a specified sector.



The *Status of the Artist Act* and the Tribunal's statutory responsibilities, professional category regulations, decisions and reports to Parliament and government can be found on the Tribunal's Web site at: [www.cappprt-tcrpap.gc.ca](http://www.cappprt-tcrpap.gc.ca).

Figure 1 illustrates the Tribunal's responsibilities and the key processes under the *Status of the Artist Act*, Part II.

**Figure 1. Tribunal Responsibilities and Key Processes**



## Operating Environment

The economic contribution of the arts and culture sector is significant. In 2002, the sector contributed \$39 billion to the Canadian economy, or almost 4 percent of gross domestic product, according to Statistics Canada's revised figures using its new *Canadian Framework for Culture Statistics*. Although the works of Canadian artists enrich our daily lives and represent Canadians at home and abroad, the valuable contribution of artists is not reflected in their earnings. According to the most recent Statistics Canada census data, artists' average income rose to \$23,500 in 2001, up 26 percent from 1991. However it remained below the average income of all workers in Canada (\$31,800), despite the higher than average level of education of artists. A high proportion of artists are self-employed; for example, almost 70 percent of visual artists and close to 50 percent of writers and craftspersons work as independent entrepreneurs according to the census. An estimated 100,000 self-employed artists fall under the Tribunal's jurisdiction.<sup>1</sup> In addition to having lower earnings, many self-employed artists do not have the advantages enjoyed by many workers who are employees, such as employment insurance, training benefits and pension funds.

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### The economics of artistic endeavours

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The federal government has various institutions, programs and policies to recognize and support artists and producers. The *Status of the Artist Act* and CAPPRT are part of the support system of the Government of Canada for Canadian arts and culture. However, the impact of the *Act* is limited due to its application to a small jurisdiction. Most work in the cultural sector, including the vast majority of film and television programming production, sound recording, art exhibitions, theatrical production and book publishing, falls under the jurisdiction of the provinces.

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### Limitations of the Status of the Artist Act

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To date, Quebec is the only province with legislation granting collective bargaining rights to self-employed artists. The necessity for provincial legislation was recognized by the Standing Committee on Canadian Heritage in its ninth report in 1999. This view was expressed again in the Department of Canadian Heritage's evaluation of the provisions and operations of the *Status of the Artist Act* carried out in 2002<sup>2</sup> (referred to as "evaluation report" in this document).

Since the adoption of enabling legislation on the status of the artist in 2002, the Saskatchewan government has been studying the possibility of introducing a legal collective bargaining framework for some artistic work in that province. The province of Ontario has launched an official study of status of the artist in Ontario as one of the responsibilities of its new Minister's Advisory Council for Arts and Culture. The Tribunal supports the adoption of status of the artist legislation by more provinces and

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<sup>1</sup> Sources: Hill Strategies Research, September 2004: Statistical Profile of Artists in Canada; Hill Strategies Research, March 2005: Arts Research Monitor

<sup>2</sup> Available on the Internet at: [www.pch.gc.ca/progs/em-cr/eval/2002/2002\\_25/tm\\_e.cfm](http://www.pch.gc.ca/progs/em-cr/eval/2002/2002_25/tm_e.cfm)

will continue to provide information to policy makers and others interested in the benefits of such legislation.

Because artists' associations lack sufficient time and resources, they would rather negotiate with producers' associations than with individual producers. And many government producers would prefer to designate one department as their lead negotiator. One of the recommendations from the evaluation report was to give consideration "to establishing one bargaining authority for all federal government departments." The Tribunal supports this recommendation, as it would facilitate the bargaining process and make it more cost-effective.

Like all federal institutions, CAPPRT faces the challenge of carrying out its statutory responsibilities and fulfilling the increasing requirements for transparent and accountable reporting, while at the same time being careful in the spending of public funds. At its creation in 1993, CAPPRT adopted efficient business practices, and in the spirit of the day soon adopted a clear statement of objectives, high standards for service delivery, a comprehensive performance measurement framework and transparent reporting on its activities and results. CAPPRT's management team embraced this framework at its inception and has been continually guided by it as it evolves.

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**Small  
agency  
challenges**

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As a very small agency, CAPPRT faces a particular challenge in operating in that there are a myriad of tasks for a small staff. This is compounded by the fact that the workload is unpredictable and changing, since parties themselves decide whether to bring cases to CAPPRT. To meet these particular challenges, CAPPRT has followed a number of practices such as contracting-out and sharing of accommodation, as described in Section II under Financial Management and Modern Comptrollership.

## **Alignment with Government of Canada Outcomes**

In encouraging constructive labour relations between self-employed artists and producers in its jurisdiction, CAPPRT expects that artists' income and working conditions will improve, artists will be more likely to pursue their careers in the arts and provide an adequate pool of highly talented and trained artists, and a predictable labour environment will result. In this way, CAPPRT contributes to two of the outcomes pursued by the Government of Canada through its legislation, policies and programs:

- Income security and employment for Canadians, and
- A vibrant Canadian culture and heritage.

## **Tribunal Performance Overall**

CAPPRT has one strategic outcome, constructive professional relations between self-employed artists and producers under its jurisdiction, and one program activity, processing of cases brought before it. Its overall performance is equivalent to its "performance by strategic outcome," reported in Section II. As will be seen in Section II, the Tribunal continues to make progress in achieving its strategic outcome.



## SECTION II – ANALYSIS OF PERFORMANCE BY STRATEGIC OUTCOME

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### Strategic Outcome:

### Constructive professional relations between artists and producers

Part II of the *Act*, and the collective bargaining regime set up under it, are intended to encourage constructive professional relations between artists and producers in the federal jurisdiction. The indicators and targets used to measure the achievement of this strategic outcome are presented below as well as in the Tribunal's *Report on Plans and Priorities*. The performance results are reported below and shown in Table A. Because it takes time to have measurable impacts on professional relations, each indicator is tracked for the period from 1996 to 2006.

One indicator used by the Tribunal to monitor the achievement of constructive professional relations is the proportion of complaints that are resolved without the necessity of a hearing by the Tribunal.

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**Parties resolve differences themselves**

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The Tribunal encourages parties to resolve as many issues as possible before proceeding to a hearing. The Tribunal Secretariat provides assistance, where appropriate, through investigation and mediation. This approach not only fosters cooperation between artists and producers, but also saves time and money for the parties and the Tribunal by reducing the need for costly hearings. The Tribunal achieved its target with respect to this indicator, as Table A shows.

It should be noted that this indicator, as with many performance indicators, is an approximate measure. Parties will withdraw complaints for various reasons. For example, sometimes the filing of a complaint will in itself bring the parties together to resolve the issue without any intervention of the Tribunal.

The negotiation of scale agreements is another indicator of constructive professional relations. Again, this is an approximate measure. The Tribunal can facilitate negotiations by granting certification, providing information about the *Act*'s provisions for negotiations, and dealing with any complaints of failure to bargain in good faith that are submitted. However, it has little influence over whether the parties actually pursue negotiations after certification, or over the results of such negotiations. As well, because there is no provision for first contract arbitration in the legislation, parties may be involved in bargaining for years without ever concluding an agreement. As was noted in Section 1, a legislative amendment would rectify this deficiency.

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**Negotiations of scale agreements**

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The target for this indicator was changed in the 2004-2005 reporting period to a minimum of 80 percent of certified artists' associations negotiating at least one new scale agreement within five years of certification. The previous level of 100 percent was unrealistic since, among other reasons, some associations will likely not negotiate with

the government producers unless there is an association of such producers. With respect to the negotiation of scale agreements, a lot has been accomplished but less than hoped for, as shown in Table A. Thirty-three percent of artists' associations have negotiated a new scale agreement within 5 years of certification compared to the target of 80 percent. However, an additional 10 percent have negotiated a new agreement after the five-year target period and another 29 percent have issued notices to bargain a new agreement. In total, 139 notices to bargain from 15 associations are outstanding, most of them with federal government institutions.

**Table A — Constructive professional relations**

<i>Indicator</i>	<i>Target</i>	<i>Results 1996–2006</i>
Percentage of complaints resolved without a hearing	At least 50 percent of all complaints are resolved without a hearing.	64 percent were resolved without a hearing and 36 percent were heard by the Tribunal.
Proportion of certified artists' associations with a first agreement within five years of certification.	A minimum of 80 percent of certified artists' associations negotiated at least one new scale agreement within five years of being certified.	33 percent have negotiated at least one new scale agreement within five years of certification.

Two indicators of constructive professional relations that were identified in the 2005-2006 *Report on Plans and Priorities* were subsequently withdrawn. The indicators that were removed were greater recognition and improved wages and working conditions for artists, and a stable and predictable working environment for artists and producers. These are objectives of the *Status of the Artist Act* but are not under the control of the Tribunal.

During fiscal 2005-2006, the Tribunal pursued three priorities in order to achieve its strategic outcome of constructive professional relations between artists and producers: prompt and high quality processing of cases, fully informed and assisted clients, and assistance in the preparation of amendments to the *Act* and other changes to make it more effective. The performance measurement framework for these priorities is presented in the Tribunal's *Report on Plans and Priorities* and is summarized below along with performance results.

### **Priority 1: Prompt and high-quality processing of cases**

The level of case activity in 2005-2006 was slightly higher than in 2004-2005. The Tribunal made final decisions in 3 cases (2 of which were resolved without hearings) and made 6 interim decisions. At year's end, 5 cases were pending. For details on the cases, please see the Tribunal's annual report for 2005-2006 and its *Information Bulletins*, all available on the Tribunal's Web site at: [www.capprt-tcrpap.gc.ca](http://www.capprt-tcrpap.gc.ca).

The Tribunal has assessed promptness by looking at the time taken to issue reasons after a hearing. Given the importance that the Tribunal attaches to resolving complaints without a hearing, consideration is being given to revising this indicator to take account

of cases that are concluded without hearings; capturing these may give a more accurate picture of the promptness of case processing. In the one case for which it issued reasons for a decision, the Tribunal took 77 days to issue a decision after its hearing, rather than its target of 60. This was a result of a sudden and unexpected shortage of key staff required to support the Tribunal, and of the complexity of the case. On the larger and more representative indicator of promptness, the average time required to process applications, the Tribunal exceeded its target and significantly improved its performance over the average for the preceding 10 years. These results are set out in Table B.

**Table B — Prompt processing of cases**

<i>Indicator</i>	<i>Target</i>	<i>Results 2005–2006</i>	<i>Results 1996–2005</i>
Average time to issue reasons for a decision after the hearing in all cases	Maximum of 60 calendar days	77 days	45 days
Average time to process all cases (from the date of receipt of the completed application to the date of the decision)	Maximum of 200 calendar days	182 days	257 days

The second aspect of this priority is high-quality processing of cases (referred to in the 2005-2006 *Report on Plans and Priorities* as competent processing of cases). This refers to the work of staff, in preparing cases and providing legal advice, and of members, in deliberating and making decisions.

The indicator that has been used is the proportion of Tribunal decisions that are upheld under judicial review. Pursuant to the *Status of the Artist Act*, a party may, under specific circumstances, challenge a Tribunal decision by requesting a judicial review by the Federal Court of Appeal.

The Tribunal readily acknowledges that this indicator is not ideal. The decision of a party to seek or not to seek judicial review may be unrelated to the quality of the decision. Moreover, the grounds for judicial review of a Tribunal decision are limited. The Federal Court of Appeal does not assess the correctness of the Tribunal’s decisions; it will intervene only if the Tribunal has:

- Acted without jurisdiction, acted beyond its jurisdictions, or refused to exercise its jurisdiction; or
- Failed to observe principles of natural justice or other procedures it is required by law to observe; or
- Acted, or failed to act, by reason of fraud or perjured evidence.

Several labour boards and other administrative tribunals monitor and report on this statistic. Most have not established a target to achieve in this regard, however, and they do not relate this reporting to any evaluation of the quality of their work. The Tribunal will continue to look for alternatives to this indicator.

With respect to results achieved to date, only three of the Tribunal’s 86 interim and final decisions have been challenged in this manner. Two requests for judicial review were dismissed by the Federal Court of Appeal, one in 1998-1999 and one in 2004-2005. The

third request was withdrawn. As indicated in Table C, the Tribunal has met its objectives for this indicator.

**Table C — High-quality processing of cases**

<i>Indicator</i>	<i>Target</i>	<i>1996–2006</i>
Percentage of applications for judicial review that have been granted	Less than 50 percent	0 percent

## **Priority 2: Clients fully informed and assisted**

The Tribunal has always treated seriously its responsibility to ensure that artists' associations and producers are fully aware of their rights and responsibilities under the *Status of the Artist Act*. For parties to benefit from the *Act*, for negotiations to take place and for the long-term objectives of the *Act* to be realized, the parties must fully understand the legislation. As indicated in Table D, targets for informing and assisting clients have largely been met.

Two information bulletins were issued, falling short of the target of three. Information bulletins are intended primarily to advise the public of developments in the Tribunal's core work of dealing with cases brought before it. The shortfall in information bulletins reflects the shortfall in casework. The quality of the information bulletins was not measured as a client survey was not conducted. A survey will be conducted in 2006-2007.

The Tribunal's web site was maintained and brought closer to *Government On-Line* standards. It is still not fully compliant with GOL standards, because it has a number of documents in PDF format, which do not meet GOL requirements for accessibility. Work is being undertaken in 2006 to address this and convert the PDF documents to HTML format. The web site was updated regularly and the information on it is timely and accurate. A client survey was not done and is a priority for the Tribunal for this year.

Because the *Act* is still relatively recent and parties are still learning how to implement it, Tribunal staff holds information sessions to clarify the obligations and rights of parties in bargaining under the *Act*, and to allow organizations to share their information and experiences with each other. After making presentations to several artists' associations last year in 2004-2005, staff focused efforts this year on federal government producers and broadcasters.

The Tribunal's performance indicator for these sessions is based on client satisfaction, and the target set out in the 2005-2006 *Report on Plans and Priorities* (RPP) was that clients would be satisfied, as determined by surveys of attendees. Subsequent to the RPP, more specific targets were developed: a minimum of 75 percent of organizations attending, and a minimum of 75 percent of attendees rating the sessions 4 or 5 out of 5. The first of these, attendance, may have to be reconsidered in the current reporting year, as it is not in the control of the Tribunal. The second target may be overly ambitious and



is dependent on participation in the survey – again, something not in the Tribunal’s control.

An information session was held in Ottawa for federal government producers; it included a presentation by a government producer with experience negotiating under the *Act*. Of nearly 90 organizations invited, 26 sent representatives; 15 of these filled out evaluations, with 4 rating it 5 out of 5, 6 rating it 4, 4 rating it 3, and 1 rating it 2.

Sessions were also held with broadcasters in Montreal and Toronto, to provide information on negotiating scale agreements and on mediation services available to parties in negotiations. Of 27 broadcasters invited to these sessions, a total of 8 sent representatives. Of 15 participants in the two sessions, 9 filled out evaluations, with 8 rating the session 4 out of 5 and one rating it 3 out of 5.

In summary, with respect to the broadcasters’ sessions, although the number of invitees who accepted to participate was less than the target, the target for client satisfaction was met.

Another performance indicator that was developed after the submission of the 2005-2006 *Report on Plans and Priorities* is accuracy and timeliness of responses to enquiries and requests for information. The target is that enquiries and requests for information are dealt with within two working days, and that clients, as determined by survey, are satisfied. Given the relatively small number of enquiries and requests received during the year, this indicator will be measured over a longer period of time than a single fiscal year. We are confident that processes are in place to ensure that inquiries are answered promptly and properly; we will continue to monitor this indicator over the coming fiscal year and will report back.

**Table D — Clients fully informed and assisted**

<i>Indicator</i>	<i>Target</i>	<i>Results 2005-2006</i>	<i>Results 2004-2005</i>
Quality and timeliness of information bulletins	At least three information bulletins are issued annually. Clients are satisfied (as determined by client survey).	Two bulletins were issued. Clients were not surveyed.	Three bulletins were issued. (Clients were not surveyed.)
Quality of the Tribunal's Web site.	The Web site contains timely and accurate information and meets GOL ( <i>Government On-Line</i> ) standards. Clients are satisfied (as determined by client survey).	The Web site was made almost completely compliant with GOL standards and contains timely and accurate information. Clients were not surveyed.	Information on our Web site was continuously updated. The Web site meets most of the GOL standards.
Success of information sessions for clients	Clients are satisfied, as determined by survey of attendees.	2/3 of respondents were pleased to very pleased with the information sessions.	84 percent attended and 87 percent of respondents rate session 4 or 5 out of 5.
Accuracy and timeliness of responses to enquiries and requests for information	Enquiries and requests for information are dealt with within two working days. Clients are satisfied (as on average determined by client survey).	Few enquiries or requests were received, and clients were not surveyed. Prompt and proper responses are ensured by managers and staff.	The Tribunal responded to requests within one day on average (based on a formal staff survey).

### **Priority 3: Work on amendments to the Act and other changes**

The Tribunal Secretariat supports and is prepared to assist the Department of Canadian Heritage in the preparation of possible amendments and other changes as recommended in the evaluation of the *Act*. There are still no specific targets in this regard; discussions and liaison with the Department of Canadian Heritage will continue in fiscal 2006-2007.

### **Financial Management and Comptrollership**

Tribunal expenditures decreased from the previous year by \$344,000. As in previous years, the Tribunal continued to use outsourcing and cost-saving agreements for many services not required on a full-time basis. For example, since the beginning of Tribunal operations, it has contracted with the Department of Canadian Heritage for human resources services and with Industry Canada for informatics, security and mail services. It has arrangements with the other two federal labour boards to use their hearing rooms and library services. It also contracts for the services of a financial analyst. It continues to select staff who have multiple skills, are flexible, and are interested in having a variety of

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**Continued  
efficiencies**

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responsibilities and taking initiative. The fact that the Tribunal members are part-time appointees adds to the agency's economic efficiency on the whole, as they are called on and paid only as needed; this makes scheduling more difficult, however, as they have other commitments. All Tribunal members are currently bilingual, which facilitates the scheduling. The agency continues to share accommodation and administrative and financial services with the Environmental Protection Review Committee (EPRC), thereby lowering the overall costs to the government.

In order to improve its operational efficiency as well as its capability to measure performance, the Tribunal has continued to modernize and refine its case management system. Its database software is more powerful, user friendly and reliable, and as a result, more and better data is available.

The Tribunal continued to develop its management practices, working in a cluster group with three other small quasi-judicial agencies, the Competition Tribunal, the Copyright Board and the Transportation Appeal Tribunal. The cluster group focused on implementing an action plan response to a 2004-2005 compliance audit, implementing the new *Public Service Modernization Act*, and preparing for the implementation of the new Treasury Board Secretariat (TBS) Internal Audit Policy. The cluster group also participated in two Information Management Advisory Committee projects related to training and the implementation of the Records and Document Management Information System (RDIMS); the Tribunal decided that it will have to revisit the issue of using RDIMS, as its information technology infrastructure does not support it at this time.

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**Progress in  
modern  
comptrollership**

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In response to the 2004-2005 audit of the Tribunal's contracting and financial activities<sup>3</sup>, and in concert with the cluster group, the Tribunal addressed weaknesses with respect to its control environment, some of which had prevented it from complying fully with TBS policies. It revised the Delegation of Financial Signing Authorities to clarify approval authorities for hospitality and to reflect limits for other approval authorities. It also strengthened its account verification process to ensure compliance with all policies, for example with respect to the exercise of payment authority and the approval of receipt of goods and services. As well, it implemented the auditors' recommendation that it review and update its contracting practices and procedures to increase competition and transparency.

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**Response to  
first audit**

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The Tribunal also, with the assistance of a consultant, developed a framework for the evaluation of various Tribunal activities, as required by Treasury Board policy. This entailed some further elaboration of the Tribunal's performance measurement strategy, and it will require continuing work to develop the data systems and the staff competencies to implement it.

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<sup>3</sup> The audit report is available on the Tribunal's website, at [http://www.capprt-terpap.gc.ca/epic/internet/incapprt-terpap.nsf/vwapj/Compliance\\_Audit-Mar2005-E.pdf/\\$FILE/Compliance\\_Audit-Mar2005-E.pdf](http://www.capprt-terpap.gc.ca/epic/internet/incapprt-terpap.nsf/vwapj/Compliance_Audit-Mar2005-E.pdf/$FILE/Compliance_Audit-Mar2005-E.pdf).



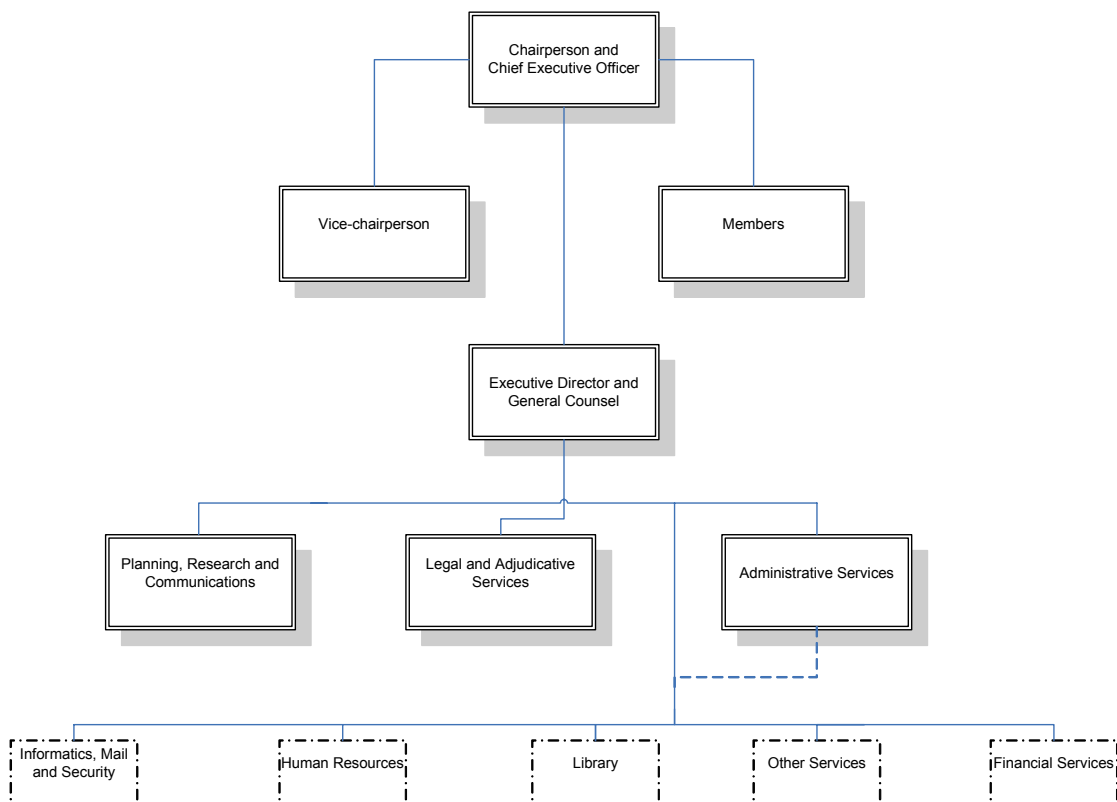
## SECTION III – SUPPLEMENTARY INFORMATION

### Organizational Information

The Tribunal is currently composed of an acting chairperson (who is also the chief executive officer) and two other members. Members are appointed by the Governor in Council, and all three members are part-time appointees.

The executive director and general counsel heads the Tribunal Secretariat and reports to the chairperson. Ten staff members carry out the functions of legal counsel, registrar, planning, research, communications, and administrative services. The Tribunal outsources some standard corporate services that are not required full time, such as informatics and human resources. Figure 2 illustrates the Tribunal's organizational structure.

**Figure 2. Organization Chart**



Services provided on contract or by other arrangements (Please see Section II, Financial Management and Comptrollership, for more detail)

## Contact for Further Information

Canadian Artists and Producers Professional Relations Tribunal  
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E-mail: [info@capprt-tcrpap.gc.ca](mailto:info@capprt-tcrpap.gc.ca)

Web site: [www.capprt-tcrpap.gc.ca](http://www.capprt-tcrpap.gc.ca)

## Legislation Administered and Associated Regulations

<i>An Act respecting the status of the artist and professional relations between artists and producers in Canada (Short Title: Status of the Artist Act)</i>	S.C. 1992, c.33, as amended
<i>Status of the Artist Act Professional Category Regulations</i>	SOR 99/191
<i>Canadian Artists and Producers Professional Relations Tribunal Procedural Regulations</i>	SOR/2003-343

**Table 1: Comparison of Planned to Actual Spending  
(including FTEs)**

(\$ thousands)	2003-04 Actual	2004-05 Actual	2005-2006			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
<b>Processing of cases</b>	1,468	1,430	<b>1,827</b>	<b>1,827</b>	1,794	1,086
<b>Total</b>	1,468	1,430	1,827	1,827	1,794	1,086
Less: Non-respendable revenue						
Plus: Cost of services received without charge*	425	389	397	397	397	397
<b>Total Departmental Spending</b>	1,893	1,819	2,224	2,224	2,191	1,483
<b>Full-time Equivalents</b>	10	10		10		10

\*Details are shown in Table 4

**Table 2: Resources by Program Activity**

(\$ 000s)	2005-2006			Total
	Budgetary			
Program Activity	Operating	Total: Gross Budgetary Expenditures	Total: Net Budgetary Expenditures	
<b>Processing of cases</b>				
Main Estimates	1,827	1,827	1,827	1,827
<i>Planned Spending</i>	1,827	1,827	1,827	1,827
Total Authorities	1,794	1,794	1,794	1,794
<i>Actual Spending</i>	1,086	1,086	1,086	1,086

**Table 3: Voted and Statutory Items**

(\$ 000s)	Vote or Statutory Item	2005-06			Total Actuals
		Main Estimates	Planned Spending	Total Authorities	
	Truncated Vote or Statutory Wording				
15	Operating expenditures	1,665	1,665	1,665	957
XX	Capital expenditures				
XX	Grants and contributions				
(S)	Minister of XXX—Salary and motor car allowance				
(S)	Contributions to employee benefit plans	162	162	129	129
	<b>Total</b>	<b>1,827</b>	<b>1,827</b>	<b>1,794</b>	<b>1,086</b>

**Table 4: Services Received Without Charge**

(\$ 000s)	2005-2006
Accommodation provided by Public Works and Government Services Canada	332
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds).	65
Salary and associated expenditures of legal services provided by the Department of Justice Canada	0
<b>Total 2005-2006 Services received without charge</b>	<b>397</b>



## APPENDIX – FINANCIAL STATEMENTS

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### CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL

#### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Canadian Artists and Producers Professional Relations Tribunal (Tribunal) for the year ended March 31, 2006 and all information contained in these statements rests with the Tribunal's management. 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 the Tribunal's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Tribunal'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 the Tribunal.

The financial statements of the Tribunal have not been audited.

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John M. Moreau, Q.C.  
Acting Chairperson and Chief Executive Officer

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Diane Chartrand  
Acting Senior Financial  
Officer

Ottawa, Canada  
Date: September 14, 2006

**CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL  
RELATIONS TRIBUNAL**

**Statement of Operations (*unaudited*)**

**For the Year Ended March 31**

**(*in dollars*)**

	<u>2006</u>	<u>2005</u>
<b>Expenses</b>		
Processing of applications		
Salaries and employee benefits	\$ 901,062	\$ 1,024,819
Accommodation	329,616	327,000
Professional and special services	144,345	270,596
Transportation and telecommunications	74,845	76,254
Amortization of tangible capital assets	29,304	13,551
Rentals	24,402	24,072
Information	13,861	66,601
Utilities, materials and supplies	12,729	27,794
Repair and maintenance	3,121	9,076
	<u>                    </u>	<u>                    </u>
<b>Net cost of operations</b>	<u>\$ 1,533,285</u>	<u>\$ 1,839,763</u>

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

**CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL  
RELATIONS TRIBUNAL**

**Statement of Financial Position (Unaudited)**

**At March 31**

*(in dollars)*

	<b>2006</b>	<b>2005</b>
<b>Assets</b>		
<b>Financial assets</b>		
Accounts receivable and advances (note 4)	\$ 184,015	\$ 55,774
<b>Total financial assets</b>	184,015	55,774
<b>Non-financial assets</b>		
Tangible capital assets (note 5)	20,041	49,346
<b>TOTAL</b>	\$ 204,056	\$ 105,120
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 66,168	\$ 94,411
Vacation pay and compensatory leave	38,474	42,455
Employee severance benefits (note 6)	158,426	130,385
<b>Total liabilities</b>	\$ 263,068	\$ 267,251
<b>Equity of Canada</b>	(59,012)	(162,131)
<b>TOTAL</b>	\$ 204,056	\$ 105,120

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

**CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL  
RELATIONS TRIBUNAL**

**Statement of Equity of Canada (*unaudited*)**

**At March 31**

**(in dollars)**

	<b>2006</b>	<b>2005</b>
<b>Equity of Canada, beginning of year</b>	\$ (162,131)	\$ (108,870)
Net cost of operations	(1,533,285)	(1,839,763)
Current year appropriations used (note 3)	1,086,144	1,430,259
Change in net position in the Consolidated Revenue Fund (note 3)	155,524	(32,757)
Services provided without charge by other government departments (note 7)	394,736	389,000
<b>Equity of Canada, end of year</b>	<b>\$ (59,012)</b>	<b>\$ (162,131)</b>

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

**CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL  
RELATIONS TRIBUNAL**

**Statement of Cash Flows (unaudited)**

**For the year ended March 31**

*(in dollars)*

	<b>2006</b>	<b>2005</b>
<b>Operating Activities</b>		
Net cost of operations	\$ 1,533,285	\$ 1,839,763
Non-cash items:		
Amortization of tangible capital assets (note 5)	(29,304)	(13,551)
Services provided without charge by other government departments (note 7)	(394,736)	(389,000)
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	128,241	(15,819)
Decrease (increase) in liabilities	4,182	(23,891)
<b>Cash used by operating activities</b>	<b>1,241,668</b>	<b>1,397,502</b>
<b>Net cash provided by Government of Canada</b>	<b>\$ (1,241,668)</b>	<b>\$ (1,397,502)</b>

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

# **CANADIAN ARTISTS AND PRODUCERS PROFESSIONAL RELATIONS TRIBUNAL**

## **Notes to the Financial Statements (unaudited)**

### **1. Authority and Objectives**

The Canadian Artists and Producers Professional Relations Tribunal (Tribunal) is the independent, quasi-judicial adjudicative tribunal created in 1993 by the *Status of the Artist Act*. Its mandate is to define the sectors of cultural activity subject to federal jurisdiction that are suitable for collective bargaining, to certify artists' associations to represent independent entrepreneurs working in these sectors, to hear and decide complaints of unfair practices filed by artists, artists' associations and producers, and, to prescribe appropriate remedies for contraventions of the *Status of the Artist Act*.

### **2. Summary of Significant Accounting Policies**

The 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 Tribunal is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Tribunal do not parallel financial reporting according to Canadian 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**

The Tribunal operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Tribunal is deposited to the CRF and all cash disbursements made by the Tribunal are paid from the CRF. 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 fund**

The change is the difference between the net cash provided by Government and appropriations used in a year. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

#### **(d) Expenses**

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

#### **(e) Employee future benefits**

- I. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Tribunal's contributions to the Plan are charged to expenses in the year incurred and represent the total Tribunal obligation to the Plan. Current legislation does not require the Tribunal to make contributions for any actuarial deficiencies of the Plan.
- II. Severance benefits: Employees are entitled to severance benefits 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.

#### **(f) Accounts receivable and advances**

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

#### **(g) Tangible capital assets**

All tangible capital assets and leasehold improvements having an initial cost of \$3,000 or more are recorded at their acquisition cost. The Tribunal 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:

<b>Asset Class</b>	<b>Amortization Period</b>
Informatics hardware	3 years
Other equipment	5 years

Motor vehicles

5 years

**(h) 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 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 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.

**3. Parliamentary appropriations**

The Tribunal receives 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 Tribunal 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:**

	<b>2006</b>	<b>2005</b>
	(in dollars)	
<b>Net cost of operations</b>	\$1,533,285	\$1,839,763
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge by other government departments	(394,736)	(389,000)
Amortization of tangible capital assets	(29,304)	(13,551)
Increase in employee severance benefits liability	(28,041)	(6,953)
Decrease in vacation pay and compensatory leave liability	3,981	-
Other	959	-
<b>Current year appropriations used</b>	<u>\$1,086,144</u>	<u>\$1,430,259</u>



**(b) Appropriations provided and used**

	<b>Appropriations Provided</b>	
	<b>2006</b>	<b>2005</b>
	<i>(in dollars)</i>	
Vote 20 - Operating expenditures	\$1,665,000	\$1,697,000
Statutory amounts	128,880	175,000
Less:		
Lapsed appropriations: Operating	<u>(707,736)</u>	<u>(441,741)</u>
<b>Current year appropriations used</b>	<u><b>\$1,086,144</b></u>	<u><b>\$1,430,259</b></u>

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

	<b>2006</b>	<b>2005</b>
	<i>(in dollars)</i>	
Net cash provided by Government	<u>\$1,241,668</u>	<u>\$1,397,502</u>
Change in net position in the Consolidated Revenue Fund		
Decrease (increase) in accounts receivable and advances	(128,241)	16,938
Increase (decrease) in accounts payable and accrued liabilities	(28,243)	15,819
Other adjustments	960	-
	<u>(155,524)</u>	<u>32,757</u>
<b>Parliamentary appropriations used</b>	<u><b>\$1,086,144</b></u>	<u><b>\$1,430,259</b></u>

**4. Accounts Receivable and Advances**

The following table presents details of accounts receivable and advances:

	<b>2006</b>	<b>2005</b>
	<i>(in dollars)</i>	
Receivables from other Federal Government departments and agencies	\$180,997	\$52,766
Receivables from external parties	2,218	2,218
Employee advances	<u>800</u>	<u>800</u>
<b>Total</b>	<u><b>\$184,015</b></u>	<u><b>\$55,784</b></u>

## 5. Tangible Capital Assets

	Opening balance	Acquisitions	Cost Disposals and write- offs	Closing balance
<b>Capital asset class</b>				
Informatics hardware	\$186,670			\$186,670
Other equipment	75,391			75,391
Motor vehicle	27,700		(27,700)	0
Total	<u>\$289,761</u>	0	<u>(27,700)</u>	<u>\$262,061</u>

	Opening balance	Accumulated amortization Amortization	Disposals and write-offs	Closing balance
<b>Capital asset class</b>				
Informatics hardware	\$172,444	14,226		\$186,670
Other equipment	40,271	15,078		55,349
Motor vehicle	27,700	0	(27,700)	0
Total	<u>\$240,415</u>	<u>29,304</u>	<u>(27,700)</u>	<u>\$242,019</u>

	2006 Net book value	2005 Net book value
<b>Capital asset class</b>		
Informatics hardware	\$0	\$14,226
other equipment	20,042	35,120
motor vehicle	0	0
Total	<u>\$20,042</u>	<u>\$49,346</u>

Amortization expense for the year ended March 31, 2006 is \$29,304 (2005 is \$13,551).

## 6. Employee benefits

### a) Pension benefits

The Tribunal'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 of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Tribunal contribute to the cost of the Plan. The 2005-06 expense amounts to \$95,371 (\$123,000 in 2004-05) which represents approximately 2.6 times the contributions by employees.

The Tribunal's 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) Employee severance benefits**

The Tribunal provides severance 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:

	<b>2006</b>	<b>2005</b>
	(in dollars)	
Accrued benefit obligation, beginning of the year	\$130,385	\$123,432
Expense for the year	28,041	6,953
Accrued benefit obligation, end of the year	<u>\$158,426</u>	<u>\$130,385</u>

**7. Related party transactions**

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

**a) Services provided without charge:**

During the year, the Tribunal received services that were obtained without charge from other government departments and agencies. The following are the most significant types of services provided without charge:

	<b>2006</b>	<b>2005</b>
	(in dollars)	
Accommodation	\$329,616	\$327,000
Employer's contribution to the health and dental insurance plans	65,120	62,000
Total	<u>\$394,736</u>	<u>\$389,000</u>

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 Public Works and Government Services Canada, are not included as an expense in the Tribunal's Statement of Operations.

**b) Payables and receivables outstanding at year-end with related parties:**

	<b>2006</b>	<b>2005</b>
	(in dollars)	
Accounts receivable with other government departments and agencies	\$180,997	\$52,766
Accounts payable to other government departments and agencies	\$12,052	\$60,778