

# **Sport and Physical Activity in Canada: National Leadership Models**

Submitted to  
Sport Matters Group/Le Sport Est Important

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September 2005

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## Executive Summary

In its 2004 report *Sport and Physical Activity: A New Direction for Canada*, the Sport Matters Group set out broad concerns about the leadership of the sport and physical activity sectors in Canada and proposed a plan to resolve those concerns and at the same time fulfill our collective goal of a more active population with adequate opportunities for people of all ages and abilities to participate in sport and physical activity. The plan involves changes to the way in which sport and physical activity at the national level in Canada are funded, managed, and delivered.

The purpose of this paper is to continue the discussion about leadership by providing an analysis of potential new leadership models for the sport and physical activity sectors. To this end, governmental organizations (specifically alternative service delivery mechanisms), statutory instruments, and policy positions were researched, and interviews were conducted with representatives of the Canadian Sport Review Panel (CSRP) and the Interprovincial Sport and Recreation Council (ISRC). The intent was to determine the potential impact of an agency on the decision-making system governing sport in Canada and to assess provincial/territorial reaction to the concept of a federal agency. The ultimate goal of this endeavour is to propose a new governance model for the national sport and physical activity sectors that will provide leadership of the system at the federal level, more timely decision-making, and better integration of policy, program, and funding decisions, based on the vision detailed in the *Canadian Sport Policy* and the *Physical Activity and Sport Act*.

Participation in physical activity and high-performance sport are mutually supportive activities. Nonetheless, within the federal government, public policy, resource allocation, and program delivery related to sport and physical activity are currently divided among two separate government departments and a new Public Health Agency, with four different ministers and different mandates. Other aspects of the sport file are found in other departments, such as Foreign Affairs, Social Development, and Justice. This division of sport and physical activity within the federal government causes numerous problems, including lack of policy coordination and implementation, competition for limited funding, and unnecessary bureaucracy. The current decision-making structure also fails to provide the optimum conditions under which sport and physical activity at the national level would thrive:

- A coordinated administrative structure and policy responsibility under one minister;
- Program delivery devolved to an organizational unit outside a government department that would receive policy direction and funding from government and in turn would provide timely, accountable decision-making and effective program delivery.

To determine the best model to provide these optimum conditions, we examined a range of alternative service delivery mechanisms that fall both within and outside the federal government machinery:

- ***Special Operating Agency (SOA)***— Operational unit within a department operating under customized agreement approved by deputy minister, minister, and Treasury Board. Agreement sets out business plan detailing agency’s mandate, resources, flexibilities, service levels, and expected results. An example is Passport Office of Department of Foreign Affairs.
- ***Separate Agency***— Administrative entity established by legislation or order-in-council. Often involves government regulation of a sector or quasi-judicial administrative tribunal. Considered a department for purpose of complying with *Financial Administrations Act*. Degree of independence depends on mandate set out in constituting instrument. An example is Canadian Radio-television and Telecommunications Commission (CRTC) of Department of Canadian Heritage.
- ***Departmental Corporation***— Established by legislation to provide more efficient/responsive service to public through streamlined operations and partnerships with provinces. Focused on performance and accounting for results. Governed by corporate business plan and overseen by board of directors. Most operate as separate employer (employees are not public servants). May be granted financial and administrative authorities to improve performance and service delivery, such as non-lapsing spending authority, revenue retention authority, and statutory funding. An example is Parks Canada Agency of Environment Canada.
- ***Crown Corporation***— Established by legislation or articles of incorporation under *Canada Business Corporations Act*. Wholly-owned by the Crown. Operate within commercial environment. Governed by board of directors and managed by CEO. Obtain funding either through Estimates process or directly from Consolidated Revenue Fund (statutory funding), depending on terms of governing legislation. An example is Canadian Broadcasting Corporation (CBC) of Canadian Heritage.
- ***Shared-Governance Corporation***— Not strictly considered part of government, is an entity without share capital. Federal government has right to nominate or appoint one or more members of governing body. Examples include airport and port authorities and Canadian Sport Centres.
- ***Partnership/Collaborative Arrangement***— An agreement for delivery of program or service between federal government organization and one or more parties, including other levels of government, international government(s), private sector, and non-profits. Agreement specifies delineation of authority and responsibility, investment of resources (time, funding, expertise), allocation of risk, mutual or complementary benefits among partners. Various reasons for establishing partnerships, including saving money, as with Canadian Centre for Justice Statistics.

From the standpoint of the sport and physical activity sectors, one of the most important aspects of the alternative service delivery mechanism is the means by which it receives

funding. Most departments and agencies are funded almost entirely through the normal budget cycle (Main Estimates, appropriations bill, budget implementation bill, Supplementary Estimates, and associated appropriations bills), requiring annual Parliamentary approval.

In addition, Parliament may grant a department or agency revolving fund or net-voting authority. Revolving funds do not lapse at the end of the fiscal year. They are appropriate for operations financed from user fees or other sources of revenue and are intended to help an organization achieve self-sufficiency over a business cycle.

With net voting authority, activities are financed from user fees, allowing flexibility to respond to changing client demands. Neither revolving funds nor net voting authorities should be viewed as a means to secure spending rights or to supplement available resources that would not otherwise be forthcoming.

An exception to these annual Parliamentary-approved spending authorities are programs or agencies that are funded by statute directly from the Consolidated Revenue Fund (CRF) and therefore do not require annual appropriations through the Estimates process and a vote in Parliament.

A summary of the major differences between these different organizational models is shown in Table 1 below, including their governing instrument, decision-making autonomy, financial flexibility, staffing, accountability, and management:

**Table 1: Comparative Table of Organizational Models**

<b>Organizational Model</b>	<b>Legislation Required</b>	<b>Independent Decision-Making</b>	<b>Financial Flexibility</b>	<b>Human Resources</b>	<b>Accountability</b>	<b>Management</b>
<b>Department</b>	<ul style="list-style-type: none"> <li>◆ Established by legislation</li> </ul>	<ul style="list-style-type: none"> <li>◆ No</li> </ul>	<ul style="list-style-type: none"> <li>◆ Annual appropriations through budget process</li> </ul>	<ul style="list-style-type: none"> <li>◆ Employees are public servants</li> </ul>	<ul style="list-style-type: none"> <li>◆ Minister</li> </ul>	<ul style="list-style-type: none"> <li>◆ Minister and Deputy Minister</li> </ul>
<b>Special Operating Agency</b>	<ul style="list-style-type: none"> <li>◆ Established by Treasury Board approval; no legislation required</li> <li>◆ Is operational unit of a department</li> </ul>	<ul style="list-style-type: none"> <li>◆ Follow department's legislative framework and authorities</li> <li>◆ May be granted some flexibility over financial and/or human resources</li> </ul>	<ul style="list-style-type: none"> <li>◆ Annual appropriations through budget process</li> <li>◆ May be given authority to operate under revolving funds</li> </ul>	<ul style="list-style-type: none"> <li>◆ Two possible models—public service and separate employer</li> </ul>	<ul style="list-style-type: none"> <li>◆ Framework document and business plan establish accountability; approved by Deputy Minister, Minister, Treasury Board</li> <li>◆ Accountable to Department for results</li> </ul>	<ul style="list-style-type: none"> <li>◆ Deputy Head</li> </ul>
<b>Separate Agency</b>	<ul style="list-style-type: none"> <li>◆ Established by legislation or Order-in-Council</li> <li>◆ Is administrative entity</li> <li>◆ Is considered department for purpose of complying with <i>FAA</i></li> </ul>	<ul style="list-style-type: none"> <li>◆ More independent than SOA</li> <li>◆ Policy framework established by Minister</li> </ul>	<ul style="list-style-type: none"> <li>◆ Annual appropriations through budget process</li> <li>◆ Statutory funding possible</li> </ul>	<ul style="list-style-type: none"> <li>◆ Two possible models—public service and separate employer</li> <li>◆ Most are subject to public service regulations</li> </ul>	<ul style="list-style-type: none"> <li>◆ Deputy Head reports to Minister</li> </ul>	<ul style="list-style-type: none"> <li>◆ Deputy Head</li> </ul>
<b>Departmental Corporation</b>	<ul style="list-style-type: none"> <li>◆ Established by legislation</li> <li>◆ Is corporate body, with legal liability implications of being a corporation</li> <li>◆ Performs administrative, research, supervisory, or regulatory functions</li> </ul>	<ul style="list-style-type: none"> <li>◆ More independent than SOA or Separate Agency</li> </ul>	<ul style="list-style-type: none"> <li>◆ Annual appropriations through budget process</li> <li>◆ May be given authority to re-spend revenues through net voting or revolving funds</li> <li>◆ Statutory funding possible</li> </ul>	<ul style="list-style-type: none"> <li>◆ Two possible models—public service and separate employer</li> <li>◆ Most are separate employer with direct control over personnel management and collective bargaining</li> </ul>	<ul style="list-style-type: none"> <li>◆ Governed by corporate business plan</li> <li>◆ CEO reports to Minister</li> </ul>	<ul style="list-style-type: none"> <li>◆ Chief Executive Officer, with authority of Deputy Head</li> <li>◆ Board of Directors or Commission</li> </ul>

Organizational Model	Legislation Required	Independent Decision-Making	Financial Flexibility	Human Resources	Accountability	Management
<b>Crown Corporation</b>	<ul style="list-style-type: none"> <li>◆ Established by legislation, by letters patent, or by articles of incorporation under <i>CBCA</i></li> <li>◆ Governance, control, and accountability provisions for most parent Crown corporations set out in <i>FAA, Part X</i>, rather than their constituent acts</li> <li>◆ Created to achieve specific public policy goals within commercial environment</li> </ul>	<ul style="list-style-type: none"> <li>◆ Yes</li> <li>◆ Operate under broad policy framework established by government</li> <li>◆ Day-to-day operations managed at arm's length from government</li> </ul>	<ul style="list-style-type: none"> <li>◆ Financial self-sufficiency desirable but not necessary</li> <li>◆ Corporations under <i>FAA Schedule III, Part I</i> receive parliamentary appropriations</li> <li>◆ Corporations under <i>FAA Schedule III, Part II</i> operate in competitive environment and are expected to be profitable</li> <li>◆ Can borrow money with approval of Finance Minister</li> </ul>	<ul style="list-style-type: none"> <li>◆ Most are separate employers with direct control over personnel management and collective bargaining</li> </ul>	<ul style="list-style-type: none"> <li>◆ Accountable to Parliament through Minister</li> </ul>	<ul style="list-style-type: none"> <li>◆ CEO and Board of Directors</li> </ul>
<b>Shared Governance Corporation</b>	<ul style="list-style-type: none"> <li>◆ Is corporate entity without share capital</li> <li>◆ Federal government has right to appoint/nominate one or more members of governing body</li> </ul>	<ul style="list-style-type: none"> <li>◆ Yes</li> </ul>	<ul style="list-style-type: none"> <li>◆ Yes</li> </ul>	<ul style="list-style-type: none"> <li>◆ Employees are not public servants</li> </ul>	<ul style="list-style-type: none"> <li>◆ Accountability to federal government varies</li> </ul>	<ul style="list-style-type: none"> <li>◆ CEO and Board of Directors</li> </ul>
<b>Partnership/ Collaborative Arrangement</b>	<ul style="list-style-type: none"> <li>◆ Established by formal agreement that specifies terms of relationship between federal government and partners for delivery of program or service</li> <li>◆ Partners may include other levels of government, international government(s), private sector, and/or non-profit organizations</li> </ul>	<ul style="list-style-type: none"> <li>◆ Yes</li> </ul>	<ul style="list-style-type: none"> <li>◆ Joint investment of financial resources by partners</li> <li>◆ May be financially independent, depending on extent of funding provided by levels of government and other funding partners</li> </ul>	<ul style="list-style-type: none"> <li>◆ Employees are not public servants</li> </ul>	<ul style="list-style-type: none"> <li>◆ Formal agreement specifies delineation of authority and responsibility among partners</li> </ul>	<ul style="list-style-type: none"> <li>◆ CEO and Board of Directors</li> </ul>

## **Which Model is Best?**

Generally speaking, “form follows function,” that is, there is no set pattern or standard approach to addressing the needs and interests of a unit of government that seeks greater autonomy. In canvassing options, the initial focus is on the need to be fulfilled, rather than on anticipating a model based on past experience. Decisions are often made initially at a high level on a general model and then are tailored to the more detailed circumstances of the situation. This tailoring takes the form of a framework agreement or legislation that is drafted to suit the particular needs and accord the appropriate powers and authorities. The form taken by the new entity and the extent to which it would permit flexible, responsive, and timely decision-making would be determined by the legislation, articles of incorporation, or framework document that creates the arm’s length organization.

Of the possible models of arm’s length agency, two stand out as being the most viable options, Separate Agency and Departmental Corporation. Although each model has advantages over the other, on balance there are few substantive differences. While a Departmental Corporation usually has more autonomy from government, the creation of a Separate Agency could meet with less resistance, since it could be created through Order-in-Council and since its employees could remain employees of Treasury Board.

In terms of addressing the concerns of the sport and physical activity sectors, the key factors are that the agency be given statutory spending authority over a significant portion of its budget and autonomy over decision-making. These powers can be granted both to a Separate Agency (if it is created by statute) and to a Departmental Corporation. A Departmental Corporation has the advantage of being managed by a board of directors, which would bring together the major national stakeholders in sport and physical activity around the decision-making table, allowing for greater cooperation and integration.

There is no question that the possibility of transferring some or all of the programs currently operated by Sport Canada to an entity outside of government is worthy of consideration. Numerous provinces already have some form of arm’s length agency for sport, including British Columbia, Alberta, Manitoba, Ontario, and Nova Scotia, and important lessons can be learned from their experience. Operating under different models, each of these provinces has transferred some or all of the programs formerly operated by a government department to an entity at arm’s length from or outside government.

None of the provincial government representatives contacted voiced a concern about the possibility of dealing with a federal agency responsible for sport. Rather, they believe that regardless of whether responsibility for program delivery is transferred to an agency, the federal government would continue to set the vision, mission, values, and broad goals for the national sport and physical activity sectors. The legislation and/or framework agreement that creates the arm’s length organization would detail the financial flexibilities, human resources, performance measures, and plans of action governing its operation.

# **Sport and Physical Activity in Canada: National Leadership Models**

## **A. Introduction**

### **Why Write This Paper?**

In its 2004 report *Sport and Physical Activity: A New Direction for Canada*, the Sport Matters Group set out broad concerns about the leadership of the sport and physical activity sectors in Canada and proposed a plan that would enable full implementation of the *Canadian Sport Policy* and the *Pan-Canadian Active Living Strategy*. It was argued that with a revised leadership model the sector would be better able to fulfill its collective goals of a more active population with adequate opportunities for people of all ages and abilities to participate in sport and physical activity.

The plan proposed changes to the way in which sport and physical activity at the national level in Canada are funded, managed, and delivered. Three of the recommendations related to funding matters. The fourth recommendation was for a new governance model for the national sport and physical activity sectors that would involve the establishment of a single government department with a full Cabinet Minister, the creation of an agency at arm's length from government, or a combination of the two.

The purpose of this paper is to take up the discussion about leadership and facilitate informed debate of the issues, by providing an in-depth analysis of possible new leadership models for the sport and physical activity sectors. The ultimate goal of this endeavour is to define a new governance model for the national sport and physical activity sectors that will provide leadership of the system, more timely decision-making, and better integration of policy, program, and funding decisions, based on the vision detailed in the *Canadian Sport Policy* and the *Physical Activity and Sport Act*.

In order to provide answers to questions related to what an agency would look like, how it would affect existing government structures, and how it would impact both current contributions agreements between Sport Canada and the sport community and intergovernmental decision-making on sport issues, a multi-component research plan was developed that included the following steps:

1. Research on governmental and quasi-governmental organizations including agencies, boards and commissions to understand the authorities granted these organizations, the conditions under which the federal government devolves power to arm's length organizations, and roles and responsibilities related to program delivery and contribution agreements.

2. An analysis of key statutory instruments, such as the *Financial Administration Act*, and federal government policy documents to determine the authorities under which arm's length organizations are formed and operate.
3. Telephone interviews with representatives of the interim Canadian Sport Review Panel (CSRP) to determine what work has been undertaken thus far and how the work of the CSRP would relate to that of a federal agency for sport and physical activity.
4. Informal telephone discussions with members of the Interprovincial Sport and Recreation Council (ISRC) to determine provincial/territorial reaction to the concept of a federal agency and its potential impact on the current intergovernmental decision-making system for sport in Canada.
5. The development of several potential models for an agency to manage sport and physical activity at the federal level, outlining the advantages and disadvantages of each model and recommending a model for consideration by the Sport Matters Group.

When looking at possible models, it is worth keeping in mind that although important insight can be gained by examining successes in other countries, a Canadian solution must reflect Canadian realities. The Canadian sport and physical activity system is a complex enterprise, with leadership by the federal and provincial/territorial governments and delivery involving all three levels of government, a myriad of organizations, both for-profit and non-profit, and a broad continuum of activities from recreational activity in the playground to international competition in high performance sport.

### **The Need for Change**

There are outstanding leaders in all components and at all levels of Canadian sport and physical activity—governments, national and provincial/territorial organizations for sport, recreation, and physical activity, national and provincial/territorial sport federations, bid committees, coaches/leaders, and athletes/participants. The federal and provincial/territorial Ministers of Sport, Recreation and Physical Activity provide policy leadership of the sport and physical activity sectors. The federal-provincial/territorial mechanism is responsible for implementing the policy directions set at the annual Ministers' Conference. This mechanism consists of, collectively, the federal-provincial/territorial Deputy Ministers' Committee, the Federal-Provincial/Territorial Sport Committee (FPTSC), the Federal-Provincial/ Territorial Physical Activity and Recreation Committee (FPTPARC), and the Interprovincial Sport and Recreation Council (ISRC). While this mechanism provides effective policy leadership, there is no effective and recognized *operational* leadership of the sport system and no mechanism for integrated operational decision-making that would permit effective implementation of the *Canadian Sport Policy*.

As well, while there is a cohesive policy direction regarding sport (the *Canadian Sport Policy*) there is no similar policy direction regarding physical activity. The *Integrated Pan Canadian Healthy Living Strategy* has been under development since September 2002,

under the leadership of the federal and provincial/territorial Ministers of Health but has yet to be formally adopted by governments.

Participation in physical activity and high-performance sport are mutually supportive activities. This is recognized at the provincial/territorial level where in 12 of 13 jurisdictions sport and physical activity are managed within the same ministry and branch. In the remaining jurisdiction, although responsibility for program delivery is divided between two separate organizations (a Ministry and a not-for-profit Corporation), policy responsibility is retained by the government in one Minister. As well across the country at the municipal level, parks and recreation departments recognize the inter-related nature of sport and physical activity and offer programs and services in both areas.

Within the federal government, public policy, resource allocation, and program delivery related to sport and physical activity are currently divided among two separate government departments (Canadian Heritage and Health) and a new Public Health Agency—with four different Ministers and different mandates. Some aspects of the sport file are also found in other departments, such as Foreign Affairs, Social Development, and Justice. This division of sport and physical activity within the federal government causes numerous problems:

- Lack of policy coordination and implementation;
- Competition for limited funding;
- Unnecessary bureaucracy;
- Fractured and unclear accountability;
- Jurisdictional issues;
- Cumbersome interdepartmental structures;
- Missed opportunities;
- Insufficient linkages between individual programs.

The current decision-making structure within the federal government also fails to provide the optimum conditions under which sport and physical activity at the national level would thrive:

- While there is a ten-year policy governing sport, the *Canadian Sport Policy*, operational priority setting at the national level is short-term at best, subject to election cycles and cabinet shuffles.
- There is a lack of stability in federal ministerial appointments. The problem is compounded by the fact that in recent years Ministers responsible for sport have been given second portfolios that compete for their time and attention. The sport sector has been governed by four different Ministers in five years. The physical activity sector has only had a Minister within the past year, and the focus is on broad public health issues, not on physical activity or healthy living. Prior to that, for six months, there was a Secretary of State (Physical Activity and Sport) but effective integration was never achieved. Previously, the Minister of Health was

responsible for physical activity and it is fair to say that little attention was paid to the physical activity file.

- Funding decisions are made on an annual basis, again reflecting short-term political priorities and not the long-term needs of the sport and physical activity sectors.
- Funding decisions are agonizingly slow, reflecting the fact that government decision-making is structured more to deal with broad policy issues than to enable departments to respond quickly to opportunities.
- Annual funding is often not disbursed until well into the fiscal year, impeding delivery organizations from making the most effective use of the funds and making long-term planning virtually impossible.

Additional problems are created by the considerable overlap in jurisdiction between the federal government and provincial/territorial governments in matters related to sport and physical activity. In the last round of constitutional discussions (1992—the Charlottetown Round), it was accepted that within the realm of sport, the federal government reserved for itself authority over international sport excellence, international sport relations, sport research, and sport for Aboriginal peoples. Recreation was accepted by consent as a provincial/territorial power (one of seven undesignated powers that included mining, municipal and urban affairs, forestry, tourism, housing, and culture within a province). However, the federal interest in public health and the identification of physical inactivity as a major health risk give the federal government a strong role in issues related to physical activity/active living. The jurisdictional waters are further muddied by the fact that sport is constitutionally unfettered and non-exclusive, meaning that both levels of government have the constitutional right to deliver programs in sport and physical activity that might at times overlap.

## **B. Governance Models**

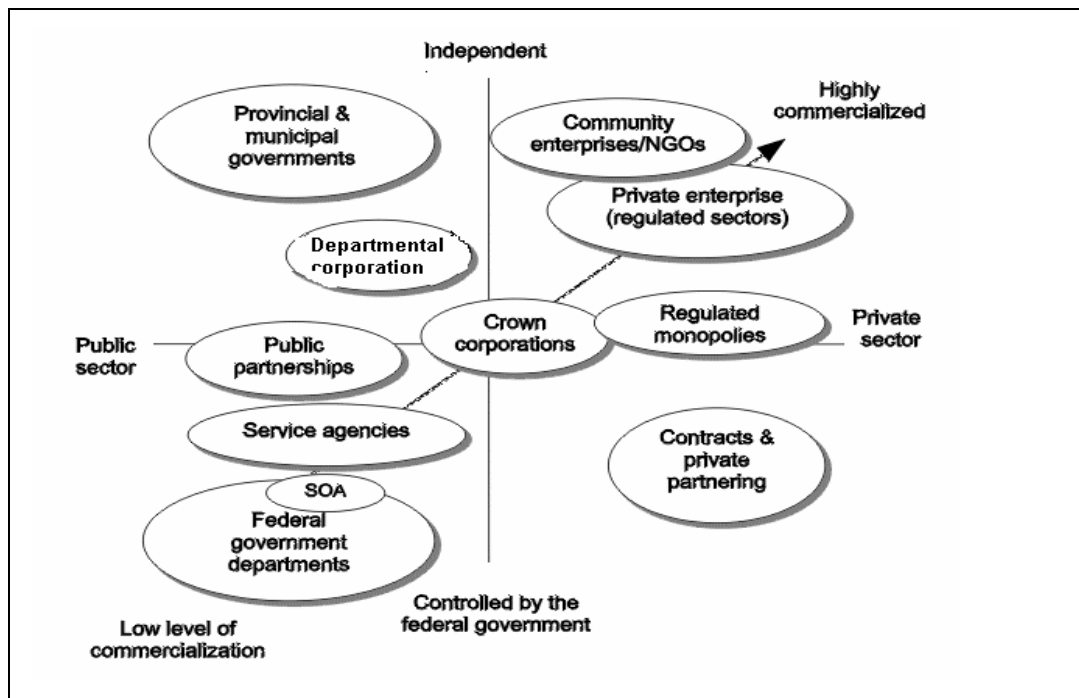
### **Introduction**

The intent of this paper is to explore potential new governance models for the national sport and physical activity sectors. Regardless of the model, the federal government would retain a strong role in sport and physical activity, with responsibility for setting policy direction and for providing a major proportion of the funding. As discussed earlier, sport and physical activity have an impact on many federal government files—heritage, health, foreign affairs, social development, justice, aboriginal issues, etc.—and federal and provincial jurisdictions often overlap. For these reasons, there is a strong case to be made for the federal government’s role in sport and physical activity to be housed within a single government department with a full cabinet minister.

## Rationale

Beyond departments, the government consists of a variety of organizations that provide public services, both within and outside the public sector, under the rubric of alternative service delivery models. The models differ in terms of their mandate, their organizational structure, and their relationship to their minister. However, they all provide services to Canadians and report to cabinet ministers, and through ministers, to Parliament.<sup>1</sup> The organizations are distinguished primarily by two characteristics—the degree of autonomy they have to manage their operations and the extent to which they are subject to or protected from competition in the marketplace. The graphic below illustrates where on a Cartesian graph the different types of government organization fall.

Graphic 1: Autonomy and Competitiveness of Federal Government Organizations<sup>2</sup>



A decade ago, the federal government approved a framework for alternative program delivery that recommended greater use of new approaches to delivering services:

“To deliver more affordable, efficient and innovative services, the federal government should encourage cooperation and partnership among departments and more broadly with the public, private and community sectors to draw on their strengths and capacities. The federal government can ensure that policy objectives are met without delivering services directly in all instances.”<sup>3</sup>

Since that time, the government has established more alternative service delivery (ASD) mechanisms, and a new policy on Alternative Service Delivery came into effect in April 2002. The policy stipulates that “all departments continually assess their programs and services to identify opportunities for improving service to Canadians, including opportunities for alternative or innovative organizational arrangements to improve organizational performance, cost-effectiveness and delivery of services to Canadians.”<sup>4</sup> ASDs are not a new creation—the federal government has for some time used more autonomous agencies and Crown corporations as an alternative to departments and has also transferred programs and services to other levels of government. What is new is the increasing use of ASDs to deliver programs and services that have been traditionally delivered through departments.

Federal ASD policy is overseen and implemented by a team operating within the Expenditure and Management Strategies Sector of the Treasury Board Secretariat. The ASD team provides guidance and expertise to departments and agencies on the establishment of innovative organizational structures to improve the delivery of programs and services to Canadians.<sup>5</sup>

### **Decision-Making Autonomy**

Ministers exercise varying degrees of control and responsibility for the agencies that are part of their portfolio. The degree of independence from government varies with the type of organization and the terms of the enabling instrument (usually legislation or Order-in-Council). Agencies are often structured on a corporate model in which decision-making authority is vested in a board or commission. Officially, the board/commission is accountable to Parliament and the public, although it is the responsible minister who answers in Parliament for the activities of the agency.

Governments delegate decision-making powers to ASD organizations, in part to preserve public confidence that the decision-making process is transparent, fair, and non-partisan. This is particularly important for regulatory agencies/administrative tribunals that perform a quasi-judicial function. Maintaining an arm’s length relationship to cabinet ministers means that while ministers are responsible for the policies governing these organizations, they cannot intervene in specific decisions. The minister’s role is often limited to making recommendations to the Governor-in-Council<sup>6</sup> on the appointment of members of the board or commission and tabling annual reports in Parliament.<sup>7</sup>

Alternative Service Delivery mechanisms are also distinguished by the amount of control management is able to exercise over human resources decisions. Some agencies are considered separate employers, and as such are able to establish their own terms and conditions of employment, whereas for others Treasury Board is considered the employer and thus the agency’s employees remain public servants.

## Financial Autonomy

Alternative Service Delivery mechanisms have various degrees of autonomy over their financial affairs. The flexibilities relate primarily to the processes required to disburse funds within the fiscal year and are spelled out in the *Financial Administration Act* and the specific statute establishing the agency (should there be one). It is important to note that all bodies that depend on public funding, whether a government department or independent Crown corporation, must submit estimates to their minister for approval. In the main, these estimates are then subject to the standard annual federal budgetary process.<sup>8</sup>

## Normal Budgetary Cycle

Government departments and agencies that are funded through Parliament participate in the annual budget process:

- Departments determine their budgetary requirements for the fiscal year (that runs April 1 – March 31) during the fall of the previous year and submit them for approval to Treasury Board. Treasury Board reviews the submissions and determines the budgets of the departments (also referred to as the A-Base). These budgets are then approved by Cabinet before being reported in the Main Estimates. The Main Estimates document is tabled in the House on or before March 1<sup>st</sup>, usually shortly after the budget is read (late February). The budget outlines the government's fiscal, social, and economic policies and priorities, while the Main Estimates set out in detail the government's projected expenditures for the coming year. Technically, everything in the budget speech should already be in the Main Estimates, but often new initiatives have been added, thus requiring Supplementary Estimates.<sup>9</sup>
- The Main Estimates are reviewed and concurred in (or deemed to have been concurred in) by Standing Committees and returned to the House. Detailed review is at the discretion of the Standing Committees, but in practice only about 25% of the departments' budgets are reviewed in detail. Once the Main Estimates are returned to the House and concurred in, the Treasury Board President introduces a motion to approve an appropriations bill in three readings all at once. Following Senate review and royal assent, the government then has the money it needs to operate. This usually happens by June 23<sup>rd</sup> of each year.
- Departments and agencies with budget initiatives (i.e. with changes in their funding identified in the budget over what was in the Main Estimates) are required to develop a submission for Treasury Board approval—basically they are describing to Treasury Board what they plan to do (in detailed terms) with the money that was identified in the budget (in broad terms).
- Departments receiving additional funding through a budget initiative may take up to six months to develop the Treasury Board submission and receive appropriate sign-offs within the department. Since the process of Treasury Board review and approval takes about two months, it is likely well past September (the TBS cut off for the Supplementary Estimates A) before a new initiative is ready for inclusion in the Supplementary Estimates. Consequently, budget initiatives are often included in

the Supplementary Estimates B. Any submissions to be included in these Supplementary Estimates are due to TBS in January. The Supplementary Estimates are tabled in the House in February, and the associated appropriations bill is voted on in March.

- As the year progresses, if the government's fiscal projections have not been accurate, if circumstances change, or if initiatives have been included in the budget speech that were not reflected in the Main Estimates (as described above), then the government has an opportunity to seek additional funds from Parliament through Supplementary Estimates. Although the government may introduce as many Supplementary Estimates as it deems necessary, recent practice has been to limit the requests to two—one in December and one in March.
- The process for Supplementary Estimates is similar to that for Main Estimates. Once tabled, they are referred to the Standing Committees, and after Committee review, are returned to the House where the Treasury Board President introduces a motion to approve an appropriations bill in three readings all at once.
- The budget implementation bill, called a Ways and Means Bill, seeks approval for everything in the budget speech that requires legislative changes (different from the appropriations bills associated with the Main and Supplementary Estimates). Generally, the budget bills contain taxation increases or decreases or introduce a new tax. As these tend to be the most controversial aspects of the government's spending plan, it is these issues that attract the most opposition attention and public discussion.

### **Revolving Funds and Net Voting**

Some agencies are granted the authority by Parliament to establish revolving funds and net voting. Revolving fund and net voting authorities are appropriate for activities having a stable mandate, identifiable client groups, and operations financed from user fees or other sources of revenue. Revenues and expenditures must be closely related. The aim of a revolving fund is to permit an organization to achieve financial self-sufficiency over a business cycle that may stretch to four or five years. Funded through non-lapsing appropriations, revolving funds are typically approved for large, distinct, self-sustaining activities that provide client-oriented services. The Passport Office is one example of an agency with a revolving fund.<sup>10</sup>

Net voting, in contrast, is used for organizations or activities that are not expected to be self-sustaining, but for which a significant portion of expenditures can likely be offset by related revenues, providing some financial flexibility to respond to changing client demands. This means that if demand is unexpectedly high, higher service levels and expenditures will be financed through increased revenues. The reverse is also true—a decline in demand is expected to reduce expenditures and revenues. The authority to net-vote is normally approved annually in an appropriations bill. Net voting arrangements are used by organizations such as with the Canadian Grain Commission.

There are two fundamental differences between these mechanisms:

- The revolving fund is a continuing (non-lapsing) authorization, while net voting authorization lapses at the end of the fiscal year.
- The aim of a revolving fund is to help an organization achieve financial self-sufficiency over a business cycle, while net voting permits certain revenues (user fees) to offset related expenditures within a fiscal year.

### Statutory Funding

In addition to these spending authorities that must be approved by Parliament, some programs and agencies are funded by statute (legislation) directly from the Consolidated Revenue Fund (CRF).<sup>11</sup> Statutory funding does not require appropriations through the Estimates process and a vote in Parliament, because the authority to spend the money was voted on when the legislation was passed. Programs that are funded under statutory authority include the Canada Pension Plan (CPP) and Old Age Security (OAS)—these are benefit-type payments that are too important to be delayed for any reason.

Any legislation creating an agency may specify that the funding is statutory. An example of this is the Financial Consumer Agency of Canada created in 2001 to educate consumers about financial services and protect their interests by ensuring that financial institutions comply with federal consumer protection measures. Although the Agency reports to the Minister of Finance, it does not appear in the Main Estimates because its funding is entirely statutory, as set out in the relevant section of the *Financial Consumer Agency Act* shown below:

#### APPROPRIATION

##### Expenditures out of C.R.F.

13. (1) Subject to subsection (2), the Minister may, in any fiscal year on terms and conditions -- including the rate of interest, if any -- that are determined by the Minister, advance amounts out of the Consolidated Revenue Fund to the Agency to permit it to defray its costs of operation.

##### Spending authority

(2) In carrying out its responsibilities, the Agency may spend assessments and other revenues received through the conduct of its operations in the fiscal year in which they are received or, unless an appropriation Act provides otherwise, in the next fiscal year. The amount of those assessments or other revenues shall be paid out of the Consolidated Revenue Fund.

Unless specified in an agency's enabling legislation, the amount to be advanced from the CRF is at the discretion of the responsible Minister (and Cabinet). However, with programs such as CPP and OAS as well as with some agencies, the amount of statutory funding to be advanced annually is fixed. In this case, to change the amount of funding granted, the government has two options:

- Through the budget—An increase in funding would be announced in the budget, and would then go through the usual approvals of TBS and Supplementary Estimates. The additional funding would probably not be disbursed until December or March of that fiscal year.
- Through legislative amendment—To change the amount of funding specified in the agency's enabling legislation, a legislative amendment would be required. The time

required to obtain approval would depend on a number of factors, including the government's legislative timetable, and could possibly take months.

## **Accountability**

Arm's length agencies are accountable to Parliament through their responsible minister. The agency head accounts to Parliament in several ways:

- By providing an annual report to the minister that is tabled in Parliament and referred to a parliamentary committee.
- By appearing before a parliamentary committee to defend the agency's estimates.
- By appearing before a parliamentary committees carrying out a special study or investigation to provide evidence.

Accountability to the minister has two dimensions:

- Specific—that is, providing specific reports to the minister that are required by statute;
- General—that is, providing whatever information is necessary for the minister to fulfill his/her constitutional responsibility to Parliament.

## **Alternative Service Delivery Models**

There are six alternative service delivery models that bear closer scrutiny for the purposes of this examination of options for a federal agency for sport and physical activity:

### **Within the federal government machinery**

- Agencies
  - Special Operating Agency
  - Separate (Statutory) Agency
  - Departmental Corporation/Legislated Service Agency
- Crown Corporation

### **Outside the federal government machinery**

- Shared Governance Corporation
- Partnership/Collaborative Arrangement

In contrast to departments, agencies have more narrowly-defined mandates and operate at a distance from government with greater organizational autonomy. It is worth noting that the

three forms of agency have similar powers, flexibilities, and degrees of autonomy. It is not always clear why over the years one particular form of agency was chosen over the others.

Each of these alternative service delivery models will be described in this section. Subsequent sections will provide an assessment of the applicability of the various models to the needs of the sport and physical activity sector.

### **Model 1: Special Operating Agency<sup>12</sup>**

Created by Treasury Board approval, Special Operating Agencies (SOA) are the most common and flexible option for a federal service agency.<sup>13</sup> The federal government established the model as one way of fostering “culture change” in the delivery of government services. This new culture embraces a distinct set of values:

- Focus on client service;
- Efficiency in service delivery;
- Innovation and initiative;
- Greater authority at the front line;
- Self-regulation;
- Better management;
- More accountability for results.

A Special Operating Agency is not an independent legal entity. It is an operational unit of a department, and as such it follows the departmental legislative framework and authorities and is accountable to its department and the minister for results. Nonetheless, an SOA has greater freedom from departmental and government-wide administrative rules, operating under a customized, written agreement with the department that has been approved by the deputy minister, the minister, and Treasury Board. This agreement consists of a framework agreement and a business plan that prescribe the agency’s mandate, available resources, and the flexibilities it has been granted, as well as the service levels and overall results the agency is required to deliver in return.

The organizations that are prime candidates to become a Special Operating Agency have a common set of characteristics:

- Focus primarily on the delivery of services (as opposed to internal policy advice);
- Have a clear and stable policy framework and mandate;
- Are able to be held accountable independent from the department;
- Are willing to develop clear performance measures;
- Constitute a distinct unit of a sufficient size to justify special consideration;
- Have managers and staff who are committed to the ASD approach;

- Do not require significant ongoing ministerial involvement.

An SOA would be an appropriate Alternative Service Delivery model for a government program under the following circumstances:

- The program is too small to justify separate legal and organizational status.
- The public policy purpose of the program is too important or sensitive to be handled by an organization with a greater degree of independence.
- The Agency is intended to have a limited lifespan.

It is important to note that the collection of revenues is *not* a necessary condition to become an SOA. Two well-known examples of a Special Operating Agency include the Passport Office and Consulting and Audit Canada.

### **Model 2: Separate (Statutory) Agency**

Separate agencies are administrative entities established by legislation or by Order-in-Council. These agencies are listed in Schedule I.1, sections 2 and 3, of the *Financial Administration Act (FAA)*.<sup>14</sup> Often called divisions or branches of the Public Service of Canada, separate agencies are considered departments for the purpose of complying with the *FAA*.

The federal government oversees a broad range of separate agencies, including the Canadian Grain Commission, the Atlantic Canada Opportunities Agency, and Statistics Canada. The extent of their independence depends on the mandate they are given by their constituting instrument. Employees of most separate agencies are public servants, that is, the agencies are considered part of the public service for the purpose of human resources management. Many receive statutory funding in addition to annual budgetary appropriations.

### **Model 3: Departmental Corporations**

Also called a Legislative Service Agency, a Departmental Corporation is an independent organization established by legislation to manage the delivery of federal government services. The enabling legislation sets out the framework under which the agency operates, including its mandate, governance regime, powers, and accountability requirements. Departmental Corporations are corporate bodies that provide administrative, research, advisory, or regulatory functions and are named in Section II of the *Financial Administration Act*. Examples include the Canadian Food Inspection Agency, the National Research Council, and the Canadian Nuclear Safety Commission.

Like Special Operating Agencies, the organizations that make the best candidates to become a Departmental Corporation have a set of common characteristics:

- Focus primarily on the delivery of services to Canadians (as opposed to internal policy advice);
- Have a clear and stable policy framework and mandate;
- Are able to be held accountable independent from the department;
- Are willing to develop clear performance measures;
- Constitute a distinct unit of a sufficient size to justify special consideration;
- Have managers and staff who are committed to the ASD approach;
- Do not require significant ongoing ministerial involvement.

Maintaining an arm's length relationship to Ministers is particularly important for organizations with a quasi-judicial role that make decisions regarding the privileges, rights, or benefits granted to Canadians. Governments delegate decision-making authority to these bodies, in part, to preserve public confidence in the fairness of the decision-making process. Ministers are responsible for the policies governing these organizations, but cannot intervene in specific decisions. The Minister's role is frequently limited to making recommendations to Cabinet on the appointment of members and tabling annual reports.

Departmental Corporations are expected to provide more efficient and responsive service to the public through the establishment of streamlined operations and partnerships with the provinces. Most have the following characteristics:<sup>15</sup>

- Focused on performance and accounting for results;
- Governed by a corporate business plan;
- Headed by a chief executive officer with the authority of a deputy head who reports directly to the minister;
- Subject to ministerial direction;
- Operate as a separate employer, with increased staffing authority (employees are not public servants);
- Granted financial and administrative freedoms to improve performance and service delivery:
  - ability to enter into partnering arrangements;
  - non-lapsing spending authority (revolving fund);
  - revenue retention and re-spending authority;
  - greater freedom in the use of common services;
  - many departmental corporations also have statutory funding.

#### **Model 4: Crown Corporation<sup>16</sup>**

Crown corporations operate in many sectors of the Canadian economy. There is considerable diversity in the size and nature of the various Crown corporations, in their

activities, in their dependence on government financing, and in the statutes to which they are subject.<sup>17</sup> Well-known Crown corporations include the Canadian Broadcasting Corporation (CBC), Canada Post Corporation, and Atomic Energy of Canada.

Crown corporations are legal entities created either by legislation or by articles of incorporation under the *Canada Business Corporations Act* to achieve specific public policy goals within a commercial environment. They are wholly-owned by the Crown, either directly or indirectly, and are managed by a board of directors. The governance framework varies according to the commercial environment in which the corporation operates and the extent to which the corporation depends on parliamentary appropriations for its funding.<sup>18</sup> If the Crown Corporation is not wholly self-sufficient and requires public funds, the responsible minister must sponsor the request for funds through the Estimates process, and Parliament must grant the request by approving an appropriations bill.<sup>19</sup>

As with the Departmental Corporation and the Separate Agency, the enabling legislation for each parent Crown corporation specifies the corporation's mandate, powers, objectives, and accountabilities. In addition, most Crown corporations are subject to Part X of the *Financial Administration Act*, which sets out the general framework governing accountability, the appointment of directors and officers, and financial management and control.

Crown corporations are accountable to Parliament through their responsible cabinet minister. The minister plays a limited role in overseeing the Crown corporation:

- By recommending to the Governor-in-Council<sup>20</sup> the names of candidates for the board of directors;
- By recommending to the Governor-in Council the approval of the corporation's corporate plans and budgets;
- By recommending to the Treasury Board the approval of the corporation's annual operating budget;
- By tabling in Parliament the corporation's annual report and a summary of the approved plans and budgets.

The board of directors is responsible for the overall management of the corporation. The CEO is responsible for the day-to-day management of the corporation on behalf of the board.<sup>21</sup>

### **Model 5: Shared-Governance Corporation**

Shared-governance corporations fall outside the federal government "machinery." They are corporate entities without share capital for which the federal government, either directly or through a Crown corporation, has the right to appoint or nominate one or more members to the governing body.<sup>22</sup> The federal government participates in many shared-governance corporations, including the airport and port authorities. Within the sport and physical

activity sector, there are a number of shared governance corporations, including the seven Canadian Sport Centres, the Calgary Olympic Development Association (CODA), ParticipACTION, and the Canadian Coaching Association.<sup>23</sup>

### **Model 6: Partnership/Collaborative Arrangement**

In the context of alternative service delivery, partnership/collaborative arrangements are agreements for the delivery of a program or service between a federal government organization and one or more parties, including other levels of government within Canada, international government(s), the private sector, and non-profits. The agreement includes:<sup>24</sup>

- Delineation of authority and responsibility among partners;
- Joint investment of resources (time, funding, expertise);
- Allocation of risk among partners;
- Mutual or complementary benefits.

Partnerships are established for several reasons, such as to save money by pooling expertise, as in the case of the Canadian Centre for Justice Statistics, or to streamline/harmonize service delivery where jurisdictions overlap, such as partnering with provinces to enforce regulations.<sup>25</sup>

## **C. General Considerations in Evaluating Models**

There are a number of possible organizational models to address the concerns originally framed in the 2004 SMG brief *Sport and Physical Activity: A New Direction for Canada*. Discussions with representatives of the Treasury Board Secretariat, the Canadian Sport Review Panel, and selected provincial governments have provided valuable information to inform consideration of the various organizational models.

Much of the difficulty in preparing this report came from trying to determine the specific differences between the three forms of arm's length agency—Special Operating Agency, Statutory Agency, and Departmental Corporation—where in fact few clear differences exist. Generally speaking, “form follows function,” that is, there is no standard approach to addressing the needs and interests of a unit of government that wants to become more autonomous. In reviewing options, the initial focus is on the need to be fulfilled rather than on the organizational form.

Machinery of government issues are ultimately the prerogative of the Prime Minister, and thus decisions are often made initially at a high level regarding a general model, which is then tailored to the specific circumstances of the situation. This tailoring takes the form of a framework agreement or legislation that is drafted to meet the particular needs and accord the appropriate powers and authorities.

### **Needs Test and Public Interest Test**

When a Minister is planning to convert a segment of his/her department into some form of alternative service delivery mechanism, a case analysis must be prepared. The case analysis makes the arguments in support of the proposal to establish an ASD mechanism in large part by addressing the questions set out below in the Public Interest Test. The case analysis sets out commitments to results across a broad range of public policy requirements. As ASD automatically loosens the grip that Parliament has over spending and program delivery, it is important to ensure that any concerns that Parliament may have, acting on behalf of the public interest, are addressed. These issues are covered by the Public Interest Test.

## **The Public Interest Test Questions<sup>26</sup>**

The following are key issues in determining whether ASD initiatives are in the public interest.

### **Governance**

- Does the new arrangement provide an appropriate decision-making role for ministers?
- Does the relationship with the proponent ensure appropriate links between policy and operations?
- Are the arrangements appropriate for reporting results and other relevant performance information to ministers, Parliament and citizens?
- Does the arrangement represent an appropriate balance between the flexibility required for high organizational performance and sound governance?

### **Official Language Requirements**

- Have appropriate provisions been made for respecting Canada's official languages, as set out in Annex C?

### **Results for Canadians**

- Does the analysis of costs, risks and benefits provide a compelling business case for the initiative?
- Is the impact on service consistent with the needs, expectations and priorities of Canadians?
- Will the new arrangement increase organizational effectiveness?

### **Citizen-centred Service**

- Does the relationship between co-deliverers ensure ease of access for Canadians to a wide range of government services?
- Will all those interested or potentially affected be informed of the initiative? Is a consultation process required? How will this be undertaken?
- Is there a communication plan to make sure that key stakeholders and citizens in general receive complete and timely information about proposed changes?
- Are measures in place to ensure continuous measurement and improvement of citizen and client satisfaction over time?
- Is there appropriate provision for access to information, preservation of government memory and the privacy of Canadian citizens?

### **Responsible Spending**

- Will a framework be in place to guarantee that Canadian citizens receive value for money and that accountability for the expenditure of public funds and responsibility to Parliament are preserved?

### **Values**

- Will the proposed arrangement promote values and an organizational culture that are consistent with public sector values and ethics?
- Is there confidence that the expected organizational culture (including a framework of values and ethics) will materialise?
- Have human resource issues been thoroughly considered, including public servant mobility, union considerations, successor rights, continued employment offers, recall rights (in the event that employees are terminated), compensation, and pension?
- Will the initiative contribute to federal government identity and visibility?
- What will the impact be on the Public Service of Canada as a coherent national institution?

## Provincial Perspectives

Some important lessons can be learned from the experience of other jurisdictions with arm's length agencies. Representatives of four provincial governments were contacted—British Columbia, Alberta, Quebec, and Nova Scotia—and three agreed to share their views on the possibility of a federal agency for sport and physical activity. Quebec declined to engage in a discussion with a non-governmental organization about the impact that a federal agency might have on federal-provincial/territorial relations, believing that such a discussion should more appropriately take place first around federal-provincial/territorial governmental tables.

None of the other three provinces voiced a concern about the possibility of dealing with a federal agency responsible for sport. Rather, they believe that regardless of whether responsibility for program delivery is transferred to an agency at the federal level, policy responsibility would continue to rest with a federal cabinet minister and policy leadership would continue to be provided by governments collectively through the federal-provincial/territorial Ministers' Conference. One province characterized the model as being similar to the strategic planning process. The federal government would continue to set the vision, mission, values, and broad goals for the national sport and physical activity sectors, while the agency (or agencies) would develop a business plan setting out requirements for resource allocation, human resources, performance measures, and plans of action. Examples of this approach are provided below.

In British Columbia, responsibility for program delivery has been transferred to a not-for-profit corporation, "2010 Legacies Now," that manages the funding relationships previously managed by the Ministry. A high level agreement with broad deliverables is set out, and 2010 Legacies Now develops a business plan describing resource allocation, human resources, fiscal requirements, performance measures, and plans of action—in other words, how they will achieve the deliverables. The plan is approved by the Minister and then implemented. To address funding needs, three-quarters of the funds required to deliver the programs are transferred in April or May of each fiscal year, with the remainder following when the agreement has been signed. Ministry staff are then free to focus on policy development, standard setting, evaluation, impact, and interdepartmental negotiations and representation.

In Alberta a Crown Agency, the Alberta Sport, Recreation, Parks and Wildlife Foundation, manages the operational side of program delivery. Funds are transferred at the beginning of the fiscal year, so that if the provincial budget is delayed, it doesn't have a negative impact on the delivery of programs. The money flows whether or not the budget has been passed. The Foundation is led by a general manager who reports to a board of directors appointed by the government. Policy direction comes from the government, as the board chair reports to the responsible minister. The government provides resources to the Foundation, and the Foundation delivers money to provincial sport organizations (PSOs), etc. The General Manager of the Foundation (reporting to the Board Chair) is also the Director of the Sport

and Recreation Branch, reporting to the Assistant Deputy Minister, Deputy Minister, and Minister of Community Development. This dual reporting relationship ensures good communication between the Foundation and its government department, which is solidified by a clear Memorandum of Understanding (MOU) that specifies reporting relationships, deliverables, and accountabilities.

In Nova Scotia, the Office of Health Promotion is an agency of the provincial Ministry of Health. The Office has its own Minister and budget, but shares administrative services with the Health Ministry (IT, finance and administration, human resources, etc.). Originally set up to include tobacco control, public health, and the Nova Scotia Sport and Recreation Commission, the Office of Health Promotion now also includes healthy eating, addictions control, alcohol control, and injury prevention. These issues are regarded as being mutually supportive, with an especially close working relationship existing between public health and healthy eating. As a result of being included in the Office of Health Promotion, sport has been accorded a higher priority as an integral component of the government initiative, "Healthy Nova Scotia." The budget of sport and recreation has increased in the past two years, which would not have happened if sport and recreation had not been aligned with health.

Several other provinces that were not contacted, including Manitoba and Ontario, also operate with models that retain ties to government while having some portion of program delivery being managed by a not-for-profit corporation outside of government. The boards of both Sport Manitoba and the Sport Alliance of Ontario include provincial government appointees, and both organizations have extensive agreements with their governments that set out deliverables and timelines. Both operate within a policy direction set by their provincial governments.

There is no question that the possibility of transferring some or all of the programs currently operated by Sport Canada to an entity outside of government is worthy of consideration, as it has already been done to varying degrees in a number of provinces. The federal government would continue to set policy direction, as sport and physical activity are deemed to be of public policy interest. The form taken by the new entity and the extent to which it would permit flexible, responsive, and timely decision-making would be determined by the legislation or framework agreement that created the arm's length organization.

### **Canadian Sport Review Panel**

Transferring government programs to some form of arm's length agency does not in and of itself address the problems created by the fact that funding for high performance sport in Canada currently resides in a number of places: Sport Canada, Canadian Olympic Committee (COC), Calgary Olympic Development Agency (CODA), Canadian Paralympic Committee (CPC), and soon, Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC). Hence, it was felt important to understand the work of the interim Canadian Sport Review Panel (CSRP), which was

established in 2004 to make recommendations about the funding of high performance sport organizations. The Panel, approved by federal-provincial/territorial Ministers, is funded by Sport Canada through a Contribution Agreement with the Sport Information Resource Centre (SIRC). One Sport Canada staff member and eight members of the national sport community were seconded to work on the Panel.

In the past year, the CSRP made considerable progress in resolving the problems created by multiple funding sources. Three funding organizations (Sport Canada, COC, and CPC) pooled their high performance funds and through a Steering Committee of decision-makers from each organization, coordinated the disbursement. A panel of technical sport experts reviewed the submissions by national single sport organizations and made funding recommendations to the Steering Committee. In addition to sport-specific recommendations (i.e. how much funding each sport should receive for what programs), the Panel identified system-wide gaps and made recommendations for ways to address these deficiencies.

The Panel set performance (outcome) targets for each sport based on placement of athletes/teams in competitions. Operational (process) targets were also established that identified what aspects of the high performance system needed to be addressed to enhance the likelihood of achieving the performance targets (e.g. hiring a coach with certain qualifications at a certain salary to work on a specific aspect of performance). The Panel's recommendations to the Steering Committee were considered near the end of April 2005, and it was decided that funding should flow from all three funders when all three had completed their appropriate internal approval processes. This meant that a large portion of the funding was released in mid-July 2005.

According to the five Panel members interviewed, putting control over funding decisions for high performance sport in a body independent from government, such as the Panel, provided a solution to a number of problems that had been plaguing high performance sport in Canada, including funding delays and the politicization of funding decisions. The Panel resolved these issues by having ready access to ongoing funding, by setting common performance targets and a consistent method for sport organizations to work toward these targets, and by equipping sports with the developmental systems they need to achieve these targets. Respondents also saw the Panel as contributing to an improvement in Canada's performance in high performance sport by providing clarity of focus and the ability to develop cohesive links across many aspects of the sport development system. As one interviewee put it, "*We know the answers, the solutions—we just need to do it. It's not a mystery—we know the conditions for optimal performance.*" The Panel's experience has been instructive in illustrating how one model for funding high performance sport at the national level can work.

Looking forward, most interviewees feel that the Panel is a good first step, but is not in a position in the short-term to take over funding of all sport at the national level. Panel members want to complete at least one cycle, assess the results, and then make a decision regarding whether to add other functions to the Panel's operation, such as a cross-sport technical task force. A technical task force would provide sports with guidance and

assistance in areas where individual sports may not be able to afford expertise, such as technical knowledge and sport science and medicine.

## **D. Evaluating Options**

### **Option 1: Federal Agency**

#### *(a) Description*

The similarities between the three forms of arm's length agency—Special Operating Agency, Statutory Agency, and Departmental Corporation—are much more apparent than their differences, as discussed earlier. Of the three models, SOAs have the least autonomy, being an operational unit of a department, established by Treasury Board approval, with funding provided by annual appropriations through the budget process. For these reasons, an SOA is not the preferred option.

Both Separate Agencies and Departmental Corporations are established by legislation, although a Separate Agency may also be established by Order-in-Council. Both receive funding through annual appropriations (the Estimates and budget process), but both may also be granted statutory funding. In addition, Departmental Corporations may be given the authority to re-spend revenues through net voting or revolving funds. Separate Agencies are considered branches of the public service and as such their employees remain public servants. Departmental Corporations, on the other hand, are corporate bodies and as such they are governed by a corporate business plan and managed by a CEO. While they may choose the public service model with their employees remaining public servants, most departmental corporations are separate employers.

#### *(b) Pros*

- Both a Statutory Agency and Departmental Corporation theoretically have sufficient decision-making autonomy and financial flexibility to address the needs of the sport and physical activity sectors described in the SMG report *Sport and Physical Activity: A New Direction for Canada*.
- In both cases, the policy framework of the agency/corporation is established by the responsible Minister.
- In both cases, the responsible Minister oversees the agency and reports on its activities to Parliament, but has little involvement in its day-to-day operations. The Minister's involvement is even more limited in the case of a departmental corporation.
- Both models of arm's length agency may be granted statutory funding through their enabling legislation. This is a critical form of financial flexibility that could solve

the longstanding problem within the sport sector of sport groups not knowing from year-to-year how much funding they would be getting and not receiving the funding for new initiatives until well into the fiscal year with the requirement that it all be spent by the end of the fiscal or be forfeited.

- Departmental Corporations are corporate entities with legal liability implications. Furthermore, they operate on a business model.

**(c) Cons**

- Departmental Corporations are typically established to perform an administrative, regulatory, or quasi-judicial function. The relevance of this model to the sport and physical activity files is questionable.
- Whether a Separate Agency or a Departmental Corporation has the decision-making autonomy and financial flexibility that the sport and physical activity sectors are seeking depends on the terms of the legislation that establishes the agency. Getting satisfactory enabling legislation passed by Parliament will depend on the political climate and the government of the day.
- While a Separate Agency could potentially face the same challenge, a Separate Agency could be created by Order-in-Council, requiring only the approval of Cabinet, but this would preclude statutory funding.
- Transferring public servants to an entity that operates as a separate employer (i.e. the staff would no longer be employed by Treasury Board) has been known to cause significant upheaval, with consequent loss of productivity that could stretch over a period of several years.

## **Option 2: Shared Governance Corporation**

**(a) Description**

A second option, that has all the characteristics of a shared governance corporation, might be considered. Under this model, a body focused entirely on high performance sport would be created to implement the enhanced excellence goal of the *Canadian Sport Policy*.<sup>27</sup> This body would provide the technical leadership and decision-making for high performance sport in Canada. The Canadian Sport Review Panel could serve as the technical arm of the corporation. The proposed option might be called the Canadian Alliance for Sport Excellence or CASE.

The corporation would be under contract to federal-provincial/territorial sport ministers (as in the *Clear Lake Accord*<sup>28</sup>) for a set period of time. At the end of that period, the mandate of corporation could be extended, made permanent, or cancelled, following an in-depth

evaluation of process and outcomes and the agreement of the federal and provincial/territorial sport ministers.

The corporation would be a separate entity from the federal government and would be governed by a board of directors and managed by a chief executive officer. This structure would ensure that specific individuals would be accountable for the corporation's performance. The board of directors would be made up of representatives of the major players in sport in Canada:

- The major funders of high performance sport in Canada—the federal government, the Canadian Olympic and Paralympic Committees, and VANOC;
- The major funders of sport development and sport participation—the provincial/territorial governments;
- The organizations responsible for the delivery of high performance sport programs and services—National Sport Federations, Multi-sport Federations, Canadian Sport Centres;
- The umbrella body of organizations that deliver sport programs and services at the provincial/territorial level—the Canadian Council of Provincial/Territorial Sport Federations.

***(a) Pros***

- The corporation is further removed from government than any of the agency models, with governmental influence but not control.
- Governed by a board of directors and managed by a CEO, the corporation would provide more stable leadership and more strategic and proactive decision-making than the current situation, with more opportunity for innovation and entrepreneurship.
- The corporation would be able to lever its government funding with private sector resources.
- The corporation would be able to enter into multi-year funding arrangements with power conferred via contractual arrangement.
- Both federal and provincial/territorial governments would be represented on the board of directors, recognizing the critical role that governments play in the sport system at both the high performance and developmental levels.
- The integration would resolve some of the problems created by overlapping jurisdiction between federal and provincial/territorial governments in policy, programming, and funding of high performance sport.
- The technical direction for sport would be based on a common vision arrived at by a small group of individuals who represent all of the key players in sport in Canada.
- The model would allow for a stepped approach, whereby the corporation would initially deal only with high performance sport and only for a specified period of

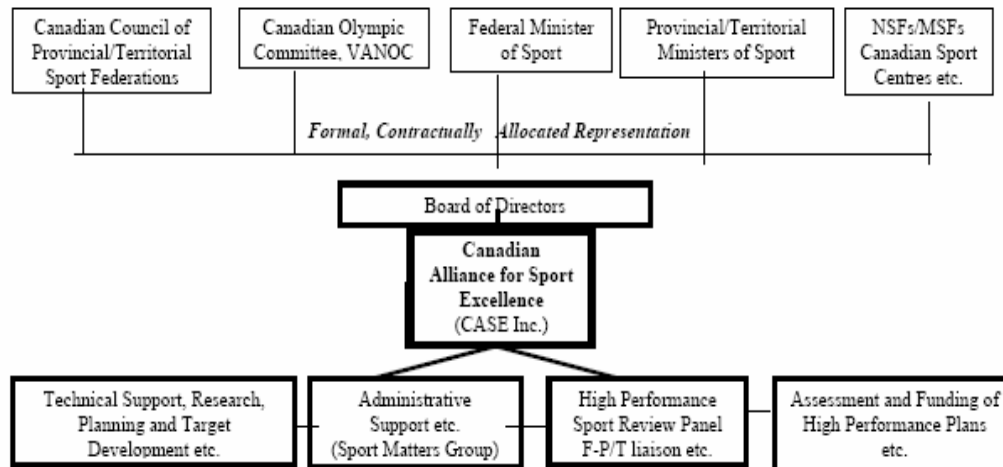
time. If the corporation proved successful in meeting its objectives and the funding partners were confident in and comfortable with the model, the corporation could be granted additional responsibility for the other three *Canadian Sport Policy* goals of enhanced participation, enhanced capacity, and enhanced interaction.

- This potential future mandate could help address the fact that the vertical connectedness within sport is rather limited. Although the sport management system somewhat resembles a franchise approach to rule making (that is, international-to-national-to-provincial/territorial, where the more senior level determines the conditions under which the more junior levels can participate), national and provincial/territorial sport organizations often act independent of each other in the same sport. Each has its own jurisdiction and its own set of responsibilities, without any obligation to cooperate and act collaboratively.

***(b) Cons***

- This model addresses only one of the four goals of the *Canadian Sport Policy*—excellence. All of the other key issues affecting sport would continue to operate under the status quo.
- The model does not address physical activity in any way, or the need to integrate sport and physical activity.
- Employees of shared governance corporations are not public servants. The potential loss of this status and all that it entails could meet with resistance from affected public servants.
- The model would provide for closer integration of federal and provincial/territorial management and funding of sport than both levels of government may be ready to accept.
- The degree of integration between the federal and provincial/territorial governments that the model would require would likely give rise to an “organizational nightmare,” potentially impeding progress within high performance sport for several years.

### CASE Inc.— Canadian Alliance for Sport Excellence



## **Appendix A: Special Operating Agencies<sup>29</sup>**

### **Agriculture**

- Pari-Mutuel Agency

### **Corrections**

- CORCAN

### **National Defence**

- Canadian Forces Housing Agency

### **Finance**

- Canada Investment and Savings Agency (1995)

### **Foreign Affairs and International Trade**

- Passport Office
- Physical Resources Bureau

### **Heritage**

- Canadian Conservation Institute
- Canadian Heritage Information Network

### **Indian and Northern Affairs**

- Indian Oil and Gas Canada

### **Industry**

- Canadian Intellectual Property Office
- Technology Partnerships Canada
- Superintendent of Bankruptcy
- Measurement Canada

### **Public Service Commission**

- Training and Development Canada

### **Public Works and Government Services**

- Consulting and Audit Canada
- Translation Bureau

## Appendix B: Separate Agencies<sup>30</sup>

### Agriculture and Agri-Food

- Canadian Grain Commission
- National Farm Products Council

### Canadian Heritage

- Canadian Radio-television and Telecommunications Commission
- Library and Archives of Canada
- National Film Board
- Office of the Co-ordinator, Status of Women
- Public Service Commission
- Public Service Staffing Tribunal
- Public Service Staff Relations Board

### Citizenship and Immigration

- Immigration and Refugee Board

### Environment

- Canadian Environmental Assessment Agency

### Finance

- Canadian International Trade Tribunal
- Financial Consumer Agency of Canada
- Financial Transactions and Reports Analysis Centre of Canada
- Office of the Auditor General
- Office of the Superintendent of Financial Institutions

### Foreign Affairs

- Canadian International Development Agency

### Health

- Hazardous Materials Information Review Commission
- Patented Medicine Prices Review Board

### Industry

- Atlantic Canada Opportunities Agency
- Canadian Space Agency
- Copyright Board
- Registry of the Competition Tribunal
- Statistics Canada

### Justice

- Canadian Human Rights Commission
- Canadian Human Rights Tribunal
- Courts Administration Service
- Office of the Commissioner for Federal Judicial Affairs
- Offices of the Information and Privacy Commissioners of Canada
- Registrar of the Supreme Court of Canada and that portion of the public service of Canada appointed under subsection 12(2) of the Supreme Court Act

### Labour

- Canadian Artists and Producers Professional Relations Tribunal
- Canada Industrial Relations Board

### Minister for International Trade

- Department of International Trade
- NAFTA Secretariat—Canadian Section

### Minister of State and Leader of the Government in the House of Commons

- Office of the Chief Electoral Officer

### Minister of State to be styled Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister responsible for the Francophonie

- Economic Development Agency of Canada for the Regions of Quebec

**Minister of State to be styled Minister of Human Resources and Skills Development**

- Department of Human Resources and Skills Development

**Minister of State to be styled Minister of State (Infrastructure and Communities)**

- Office of Infrastructure of Canada

**National Defence**

- Canadian Forces Grievance Board
- Military Police Complaints Commission
- Office of the Communications Security Establishment Commissioner

**Natural Resources**

- National Energy Board
- Northern Pipeline Agency

**Prime Minister**

- Canadian Intergovernmental Conference Secretariat
- Federal-Provincial Relations Office
- Office of the Commissioner of Official Languages
- Office of the Governor General's Secretary
- Privy Council Office
- Security Intelligence Review Committee

**Solicitor General of Canada**

- Canadian Firearms Centre
- Canadian Security Intelligence Service
- Correctional Service of Canada
- National Parole Board
- Office of the Correctional Investigator of Canada
- Royal Canadian Mounted Police
- Royal Canadian Mounted Police External Review Committee
- Royal Canadian Mounted Police Public Complaints Commission

**Solicitor General of Canada to be styled Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness**

- Canadian Border Services Agency
- Office of Indian Residential Schools Resolution of Canada

**Transport**

- Canadian Transportation Agency
- Office of the Grain Transportation Agency Administrator
- Transportation Appeal Tribunal of Canada

**Treasury Board**

- Public Service Human Resources Management Agency of Canada

## **Appendix C: Departmental Corporations<sup>31</sup>**

### **Agriculture and Agri-Food**

- Canadian Food Inspection Agency

### **Canadian Heritage**

- The National Battlefields Commission

### **Environment**

- Parks Canada Agency

### **Health**

- Canadian Institutes of Health  
Research

### **Human Resources and Skills Development**

- Canadian Centre for Occupational  
Health and Safety
- Canada Employment Insurance  
Commission

### **Indian Affairs and Northern Development**

- Canadian Polar Commission

### **Industry**

- National Research Council of Canada
- Natural Sciences and Engineering  
Research Council
- Social Sciences and Humanities  
Research Council

### **Justice**

- Law Commission of Canada

### **Natural Resources**

- Canadian Nuclear Safety Commission

### **Privy Council**

- Canadian Transportation Accident  
Investigation and Safety Board
- National Round Table on the  
Environment and the Economy

### **Revenue**

- Canada Customs and Revenue Agency

### **Treasury Board Secretariat**

- Canada School of Public Service

## Appendix D: Federal Crown Corporations<sup>32</sup>

### Agriculture and Agri-Food

- Canadian Dairy Commission
- Farm Credit Canada

### Canadian Heritage

- Canada Council for the Arts
- Canadian Broadcasting Corporation
- Canadian Film Development Corporation
- Canadian Museum of Civilization
- Canadian Museum of Nature
- Canadian Race Relations Foundation
- National Arts Centre Corporation
- National Capital Commission
- National Gallery of Canada
- National Museum of Science and Technology

### Finance

- Bank of Canada
- Canada Deposit Insurance Corporation
- Canada Development Investment Corporation
- Canada Pension Plan Investment Board

### Fisheries and Oceans

- Freshwater Fish Marketing Corporation

### Foreign Affairs

- International Development Research Centre

### Industry

- Business Development Bank of Canada
- Canadian Tourism Commission
- Enterprise Cape Breton Corporation
- Standards Council of Canada

### International Trade

- Canadian Commercial Corporation
- Export Development Canada

### Natural Resources

- Atomic Energy of Canada Limited
- Cape Breton Development Corporation

### Public Works and Government Services

- Defence Construction (1951) Limited

### Transport

- Atlantic Pilotage Authority
- Blue Water Bridge Authority
- Canada Lands Company Limited
- Canada Mortgage and Housing Corporation
- Canada Post Corporation
- Canadian Air Transport Security Authority
- Federal Bridge Corporation Limited
- Great Lakes Pilotage Authority
- Laurentian Pilotage Authority
- Marine Atlantic Inc.
- Pacific Pilotage Authority
- Queens Quay West Land Corporation
- Ridley Terminals Inc.
- Royal Canadian Mint
- VIA Rail Canada Inc.

### Treasury Board

- Public Sector Pension Investment Board

## Appendix E: Shared-Governance Corporations<sup>33</sup>

### Agriculture and Agri Food

- Agri-adapt Council Inc.
- Agricultural Adaptation Council
- Agriculture and Food Council of Alberta
- Agriculture Institute of Management in Saskatchewan, Inc. (AIMS)
- Agri Food Innovation Fund
- Agri-Futures Nova Scotia
- Beef Industry Development Fund
- British Columbia Investment Agriculture Foundation (BCIAF)
- Canada Alberta Beef Industry Development Fund
- Canada Alberta Hog Industry Development Fund
- Canada Alberta Sugar Beet Industry Development Fund
- Canada Manitoba Agri Food Research and Development Initiative
- Canada Newfoundland Agri Food Innovation Fund
- Canadian Farm Business Management Council (CFBMC)
- Canadian International Grains Institute
- Canadian Livestock Records Corporation
- Centre de développement du porc du Québec Inc.
- Conseil de recherches en pêche et agroalimentaire du Québec (CORPAQ)
- Conseil pour le développement de l'agriculture du Québec (CDAQ)
- Fonds québécois d'adaptation des entreprises agroalimentaires, inc.
- Manitoba Crop Diversification Centre (MCDC)
- Manitoba Rural Adaptation Council Inc.
- New Brunswick Agricultural Council
- New Brunswick Biotechnology and Technological Innovation Centre of Excellence Inc. (BioAtlantech)
- Nova Scotia Apple Industry Development Fund
- Nova Scotia Research and Development for Grain and Forage
- Nova Scotia Technology Development 2000
- Ontario Agriculture Training Institute (OATI)
- Ontario Safety Net Research and Development Fund
- POS Pilot Plant Corporation
- Prince Edward Island Adapt Council Inc. (PEIAC)
- Saskatchewan Council for Community Development
- Territorial Farmers Association NWT
- Western Grains Research Foundation
- Yukon Agricultural Association

### Canadian Heritage

- 2003 Bathurst-Campbellton Canada Winter Games Host Society Inc.
- 2005 Regina Canada Summer Games Host Society
- Association for the Export of Canadian Books
- Calgary Olympic Development Association
- Canada Commonwealth Legacy Fund
- Canada Games Council
- Canadian Sport Centre – Atlantic
- Canadian Television Fund
- Coaching Association of Canada

- Hamilton 2003 World Road Cycling Championships
- Le Consortium de télévision Québec Canada Inc. (TV5)
- National Multi-Sport Centre – Calgary
- National Multi-Sport Centre – Montreal
- National Multi-Sport Centre – Toronto
- National Sport Centre – Greater Victoria
- National Sport Centre – Manitoba
- National Sport Centre – Saskatchewan
- PacificSport Canadian Sport Centre – Vancouver
- The 3rd IAAF World Youth Athletics Championship – Sherbrooke 2003

### **Environment**

- Canadian Foundation for Climate and Atmospheric Sciences
- Wildlife Habitat Canada

### **Fisheries and Oceans**

- International Fisheries Commissions Pension Society

### **Foreign Affairs**

- Asia Pacific Foundation of Canada
- International Centre for Human Rights and Democratic Development
- Roosevelt Campobello International Park Commission

### **Health**

- Canadian Centre on Substance Abuse
- Canadian Coordinating Office for Health Technology Assessment
- Canadian Health Infoway Inc.
- Canadian Health Services Research Foundation
- Canadian Institute for Health Information
- ParticipACTION

- Terry Fox Humanitarian Award Inc.

### **Human Resources Development/Finance**

- Canada Millennium Scholarship Foundation

### **Indian Affairs and Northern Development**

- Northern Native Fishing Corporation

### **Industry**

- Canada Foundation for Innovation
- Genome Canada
- Centre d'entrepreneuriat et d'essaimage de l'université du Québec à Chicoutimi Corporation Camp Spatial Canada
- Fondation du maire de Montréal pour la Jeunesse
- Fonds commun des SADC du Québec
- Fonds de développement emploi Montréal
- Fonds d'investissement et de développement de l'emploi dans les quartiers centraux de Québec (FIDE) Inc.
- Montréal International
- Quartier International de Montréal
- Société de développement à l'exportation de La Rive-Sud de Montréal
- Société de développement de l'industrie maricole de la Gaspésie et des Îles-de-la-Madeleine (SODIM) Inc.

### **International Trade**

- Canada Foundation for Sustainable Development Technology
- Canada Newfoundland Offshore Petroleum Board
- Canada Nova Scotia Offshore Petroleum Board
- Canada's Climate Change Voluntary Challenge and Registry
- Canadian Energy Research Institute

- Forest Engineering Research Institute of Canada
- Forintek Canada Corporation
- Maritime Forestry Complex Corporation
- Pulp and Paper Research Institute of Canada
- Tree Canada Foundation

#### **Prime Minister**

- Nature Trust of British Columbia
- Vanier Institute of the Family

#### **Public Works and Government Services**

- Canadian Wheat Board

#### **Transport**

- Aéroport de Montréal
- Aéroport de Québec Inc.
- Belledune Port Authority
- Buffalo and Fort Erie Public Bridge Authority
- Calgary Airport Authority
- Charlottetown Airport Authority Inc.
- Edmonton Regional Airports Authority
- Fraser River Port Authority
- Gander International Airport Authority Inc.
- Greater Fredericton Airports Authority Inc.
- Greater London International Airport Authority
- Greater Moncton Airport Authority Inc.
- Greater Toronto Airports Authority
- Halifax International Airport Authority
- Halifax Port Authority
- Hamilton Port Authority
- Montreal Port Authority
- Nanaimo Port Authority

- NAV CANADA
- North Fraser Port Authority
- Oshawa Harbour Commission
- Ottawa Macdonald Cartier International Airport Authority
- Port Alberni Port Authority
- Prince Rupert Port Authority
- Quebec Port Authority
- Regina Airport Authority
- Saguenay Port Authority
- Saint John Airport Inc.
- Saint John Harbour Bridge Authority
- Saint John Port Authority
- Saskatoon Airport Authority
- Sept-Îles Port Authority
- St. John's International Airport Authority
- St. John's Port Authority
- St. Lawrence Seaway Management Corporation
- Thunder Bay International Airports Authority Inc.
- Thunder Bay Port Authority
- Toronto Port Authority
- Trois Rivières Port Authority
- Vancouver International Airport Authority
- Vancouver Port Authority
- Victoria Airport Authority
- Windsor Port Authority
- Winnipeg Airports Authority Inc.

#### **Veterans Affairs**

- Last Post Fund

## **Appendix F: Profile of Selected Agencies**

### **Atlantic Canada Opportunities Agency (Separate Agency)**

Created by statute in 1988, the goal of the Atlantic Canada Opportunities Agency (ACOA) is to promote economic development in Atlantic Canada, by developing and implementing policies, programs, and projects and ensuring that the interests of Atlantic Canada are represented in national policies and programs. Working through ACOA, the federal government has transferred nearly \$4 billion—or an average of about \$250 million/year since 1988—to businesses, non-governmental organizations, and local and provincial governments in the Atlantic provinces primarily in the form of loans and non-repayable contributions. Prospective recipients apply to ACOA for funds, with funding eligibility determined on a case-by-case basis according to an established set of criteria. Infrastructure Canada agreements in Atlantic Canada are managed by ACOA, on behalf of the federal government and the four provincial governments. ACOA is one of a number of federal agencies that direct subsidies to businesses in different regions of the country.

The Minister of Industry is responsible for coordinating the policies and programs of the federal government as they relate to economic development opportunities in Atlantic Canada. The Minister may enter into agreements with one or more Atlantic provinces respecting a program or project of the Agency. ACOA is managed by a President who has the authority of a deputy head and is overseen by the Atlantic Canada Opportunities Board, composed of the President and seven members appointed by the federal cabinet on the advice of the responsible Minister. Staff are public servants. Most of ACOA's funding is from annual budgetary appropriations, with a small percentage (2%) being statutory funding.

Recently, critics have called for a re-examination of ACOA's mandate and reform in the way the federal government delivers regional development assistance. There is a concern that the level and allocation of funding by cash transfer programs like ACOA may be determined on the basis of political objectives, such as rewarding political supporters and buying votes in swing ridings. Political scandals have dogged ACOA and the other federal and provincial regional development agencies on various occasions. Clearly even an arm's length agency is not immune to criticism that it is subject to political interference.<sup>34</sup>

### **Canada Customs and Revenue Agency (Departmental Corporation)**

In 1999 the federal government moved responsibility for administration and enforcement of tax, customs, and trade law from Revenue Canada, a federal government department, to a new Departmental Corporation, the Canada Customs and Revenue Agency (CCRA). The Agency's creation was explained as being part of a government-wide initiative to provide the public, the business community, and the provinces/territories with "improved, streamlined, and more responsive and cost-effective services." The intention was that the Agency would blend the strengths and best practices of the public and private sectors.

The Agency was given an expanded mandate and greater operational flexibility than the department it replaced, allowing the Agency to establish new partnerships and enter into agreements directly with the provinces and territories for the administration of their taxes and programs. The Commissioner of the Agency is responsible for the day-to-day management and direction of the Agency. Composed of individuals from the private sector nominated by the provinces and territories, the Board of Management oversees the management of the Agency's resources, services, property, personnel and contracts. The Minister of National Revenue maintains ministerial accountability to Parliament for the delivery of tax, customs, and trade programs. CCRA employees remain members of the public service. The Agency receives annual appropriations through the budget and statutory funding equaling about one-fifth of its total federal funding.

## **Sport Manitoba (Shared Governance Corporation)**

Sport Manitoba is an example of a provincial agency to which government responsibility for sport has been devolved. Established in 1996 on the recommendation of a provincial task force that amateur sport be governed by a single body, Sport Manitoba represents the merger of the Manitoba Sports Federation and the government's Sport Directorate.

Sport Manitoba is responsible for planning, programming, and the funding of sport organizations in Manitoba. The provincial government retains responsibility for sport policy and for the delivery of recreation and physical activity (which now resides with the Recreation and Regional Services Branch in the Ministry of Culture, Heritage and Tourism).

The primary focus of Sport Manitoba is encouraging greater participation in sport and the achievement of excellence in amateur sport. To fulfill this mandate, Sport Manitoba performs the following functions:

- Implements the policy directives of the province, in keeping with the *Canadian Sport Policy* and *Manitoba Action Plan for Sport*;
- Partners with over 100 provincial and community organizations for the development and delivery of programs;
- Provides over \$10 million in grants, programs, and services to Manitoba's 77 recognized Provincial Sport Organizations;
- Manages and provides financial and technical support for specific programs and initiatives that enhance the development of athletes, coaches, and officials, including Manitoba Games, Women in Sport, and High Performance;
- Operates the Centre for Sport in Winnipeg, housing the head offices of many provincial sport and multi-sport organizations;
- Promotes the benefits of sport and publicizes the contributions and achievements of Manitobans in sport.

A fifteen-member volunteer Board of Directors governs Sport Manitoba. Five members of the Board are appointed by the provincial government, including the Chair and Vice-Chair. Other directors are appointed or elected by the major stakeholders in the sport delivery system: PSOs (5 directors), athletes (1), regional sport councils (1), Manitoba Games Council (1), educational sport bodies (1) and coaches/sport medicine (1).

Sport Manitoba has a staff of 40 employees that provide leadership, support, and consultation on grants, programs, and services in its head office and six regional offices. The staff are led by a CEO and five directors, each of whom is responsible for one of five units—Community Development; Provincial Sport Organization Development; Sport Programs; Marketing; and Finance and Operations. In addition to sport support and development services, Sport Manitoba provides Provincial Sport Organizations with an insurance program designed for sport groups and their members, as well as printing and mailroom services.

## Appendix G: Glossary of Acronyms

ASD	Alternative Service Delivery
CASE Inc.	Canadian Alliance for Sport Excellence Incorporated
CBCA	<i>Canada Business Corporations Act</i>
CAC	Coaching Association of Canada
COC	Canadian Olympic Committee
CODA	Calgary Olympic Development Association
CPC	Canadian Paralympic Committee
CRF	Consolidated Revenue Fund
CSC	Canadian Sport Centres
CSRP	Canadian Sport Review Panel
FAA	<i>Financial Administration Act</i>
FPTPARC	Federal-Provincial/Territorial Physical Activity and Recreation Committee
FPTSC	Federal-Provincial/Territorial Sport Committee
ISRC	Interprovincial Sport and Recreation Council
LTADM	Long-Term Athlete Development Model
MOU	Memorandum of Understanding
MSO	Multi-Sport Organization
NSO	National Sport Organization
PCO	Privy Council Office
PSO	Provincial Sport Organization
PSSRA	<i>Public Service Staff Relations Act</i>
SFAF	Sport Funding Accountability Framework
SIRC	Sport Information Resource Centre
SOA	Special Operating Agency
TBS	Treasury Board Secretariat
VANOC	Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games

## Endnotes

<sup>1</sup> Government of Canada, Privy Council Office, *Guide Book for Heads of Agencies: Operations, Structures and Responsibilities in the Federal Government*, 1999. URL: [http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3\\_e.htm](http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3_e.htm). Accessed April 2005.

<sup>2</sup> This diagram has been reproduced with minor modifications from Dick de Jong, Treasury Board Secretariat, *Framework for Alternative Program Delivery*, 1995. URL: [http://epe.lac-bac.gc.ca/100/201/301/tbs-sct/tb\\_manual-ef/Pubs\\_pol/oepubs/TB\\_B4/FR\\_e.html](http://epe.lac-bac.gc.ca/100/201/301/tbs-sct/tb_manual-ef/Pubs_pol/oepubs/TB_B4/FR_e.html). Accessed April 2005.

<sup>3</sup> Dick de Jong, Treasury Board Secretariat, *Framework for Alternative Program Delivery*, 1995. URL: [http://epe.lac-bac.gc.ca/100/201/301/tbs-sct/tb\\_manual-ef/Pubs\\_pol/oepubs/TB\\_B4/FR\\_e.html](http://epe.lac-bac.gc.ca/100/201/301/tbs-sct/tb_manual-ef/Pubs_pol/oepubs/TB_B4/FR_e.html). Accessed April 2005.

<sup>4</sup> Government of Canada, Privy Council Office, *Guide Book for Heads of Agencies: Operations, Structures and Responsibilities in the Federal Government*, 1999. URL: [http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3\\_e.htm](http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3_e.htm). Accessed April 2005.

<sup>5</sup> Treasury Board of Canada Secretariat, “Alternative Service Delivery (ASD),” 2002. URL: [http://www.tbs-sct.gc.ca/asd-dmps/index\\_e.asp](http://www.tbs-sct.gc.ca/asd-dmps/index_e.asp). Accessed April 2005.

<sup>6</sup> The Governor-in-Council is the Governor General as represented by the Cabinet of the government in power. The Council is the Privy Council and when the Council approves special orders, regulations and other statutory instruments under the *Statutory Instruments Act*, the PCO ensures that the orders are transmitted to the Governor General for final approval.

<sup>7</sup> Government of Canada, Privy Council Office, *A Guide Book for Heads of Agencies: Operations, Structures and Responsibilities in the Federal Government*, 1999. URL: [http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3\\_e.htm](http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3_e.htm). Accessed April 2005.

<sup>8</sup> *Ibid.*

<sup>9</sup> House of Commons, Board of Internal Economy. URL: [http://www.parl.gc.ca/information/about/process/house/Procedural\\_fact\\_sheets/fs\\_financial-e.htm](http://www.parl.gc.ca/information/about/process/house/Procedural_fact_sheets/fs_financial-e.htm). Accessed September, 2005.

<sup>10</sup> Treasury Board Secretariat, *Policy on Special Revenue Spending Authorities*, July 2000. URL: [http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/TBM\\_142/srsap1\\_e.asp#\\_Toc484411237](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/TBM_142/srsap1_e.asp#_Toc484411237). Accessed May 2005.

<sup>11</sup> The Consolidated Revenue Fund (CRF) is the aggregate of all public moneys that are received by the federal government. It is the government account that is drawn upon whenever an appropriation is approved by Parliament and replenished through the collection of taxes, tariffs, and excise taxes. It might be understood as a “central bank account” for the government. Any moneys received by government are deposited to the CRF—there are no “separate bank accounts” for departments.

<sup>12</sup> Unless otherwise indicated, information in this section taken from Treasury Board of Canada Secretariat, *Becoming a Special Operating Agency*, May 1998. URL: [http://www.tbs-sct.gc.ca/pubs\\_pol/oepubs/TB\\_B4/dwnld/bsoa-doss\\_e.rtf](http://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_B4/dwnld/bsoa-doss_e.rtf). Accessed April 2005.

<sup>13</sup> Treasury Board of Canada Secretariat, “Alternative Service Delivery: Scope of ASD,” December 2002. URL: [http://www.tbs-sct.gc.ca/asd-dmps/soa\\_e.asp](http://www.tbs-sct.gc.ca/asd-dmps/soa_e.asp). Accessed April 2005.

<sup>14</sup> The Schedules of the *Financial Administration Act (FAA)* are lists of governmental organizations that have certain characteristics in common related to governance and accountability.

<sup>15</sup> Treasury Board of Canada Secretariat, *Policy on Alternative Service Delivery*, April 2002. URL: [http://www.tbs-sct.gc.ca/pubs\\_pol/oepubs/TB\\_B4/asd-dmps\\_e.asp](http://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_B4/asd-dmps_e.asp). Accessed May 2005.

<sup>16</sup> Government of Canada, Privy Council Office, *Building a Crown Corporation Director Profile*, June 2001. URL: <http://strategis.ic.gc.ca/epic/internet/inoec-bce.nsf/en/oe01177e.html>. Accessed April 2005.

<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid.*

<sup>19</sup> Government of Canada, Privy Council Office, *A Guide Book for Heads of Agencies: Operations, Structures and Responsibilities in the Federal Government*, 1999. URL: [http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3\\_e.htm](http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3_e.htm). Accessed April 2005.

<sup>20</sup> The Governor-in-Council is the Governor General as represented by the Cabinet of the government in power. The Council is the Privy Council and when the Council approves special orders, regulations and other

## Endnotes Continued

statutory instruments under the *Statutory Instruments Act*, the PCO ensures that the orders are transmitted to the Governor General for final approval.

<sup>21</sup> Government of Canada, Privy Council Office, *A Guide Book for Heads of Agencies: Operations, Structures and Responsibilities in the Federal Government*, 1999. URL: [http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3\\_e.htm](http://www.pco-bcp.gc.ca/default.asp?page=publications&Language=E&doc=mog/chap3_e.htm). Accessed April 2005.

<sup>21</sup> Government of Canada, Privy Council Office, *Building a Crown Corporation Director Profile*, June 2001. URL: <http://strategis.ic.gc.ca/epic/internet/inoec-bce.nsf/en/oe01177e.html>. Accessed April 2005.

<sup>22</sup> This right can be conferred by legislation, articles of incorporation, letters patent, by-law or contractual agreement including funding or conditional grants and contribution agreements. Treasury Board of Canada Secretariat, *Policy on Alternative Service Delivery*, Annex A, April 2002. URL: [http://www.tbs-sct.gc.ca/pubs\\_pol/oepubs/TB\\_B4/asd-dmps1\\_e.asp#\\_Toc853901](http://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_B4/asd-dmps1_e.asp#_Toc853901). Accessed April 2005.

<sup>23</sup> Lucienne Robillard, President of the Treasury Board, *2002 Annual Report To Parliament. Crown Corporations and Other Corporate Interests of Canada*, December 2002. URL: [http://www.tbs-sct.gc.ca/report/CROWN/02/cc-se-02-4\\_e.asp](http://www.tbs-sct.gc.ca/report/CROWN/02/cc-se-02-4_e.asp). Accessed May 2005.

<sup>24</sup> Treasury Board of Canada Secretariat, *Policy on Alternative Service Delivery*, Annex A, April 2002. URL: [http://www.tbs-sct.gc.ca/pubs\\_pol/oepubs/TB\\_B4/asd-dmps1\\_e.asp#\\_Toc853901](http://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_B4/asd-dmps1_e.asp#_Toc853901). Accessed April 2005.

<sup>25</sup> Dick de Jong, Treasury Board Secretariat, *Framework for Alternative Program Delivery*, 1995. URL: [http://epe.lac-bac.gc.ca/100/201/301/tbs-sct/tb\\_manual-ef/Pubs\\_pol/oepubs/TB\\_B4/FR\\_e.html](http://epe.lac-bac.gc.ca/100/201/301/tbs-sct/tb_manual-ef/Pubs_pol/oepubs/TB_B4/FR_e.html). Accessed April 2005.

<sup>26</sup> Treasury Board of Canada Secretariat, *Policy on Alternative Service Delivery*, April 2002. URL: [http://www.tbs-sct.gc.ca/pubs\\_pol/oepubs/TB\\_B4/asd-dmps1\\_e.asp](http://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_B4/asd-dmps1_e.asp). Accessed May 2005.

<sup>27</sup> The concept and structure reproduced with permission from a discussion document by Peter Szego, circulated at the 2004 Sport Leadership Conference, in Winnipeg, Manitoba, October 2004.

<sup>28</sup> The *Clear Lake Accord* is the document signed in 1997 by all 14 jurisdictions to confirm the governance arrangements of the Canada Games.

<sup>29</sup> Treasury Board of Canada Secretariat, *Becoming a Special Operating Agency*, May 1998. URL: [http://www.tbs-sct.gc.ca/pubs\\_pol/oepubs/TB\\_B4/bsoa-doss1\\_e.asp#10](http://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_B4/bsoa-doss1_e.asp#10). Accessed September 2005. List compiled March 2004.

<sup>30</sup> *Financial Administration Act, Schedule I.1, Sections 2 and 3*. URL: <http://laws.justice.gc.ca/en/F-11/59667.html>. Accessed August 2005.

<sup>31</sup> *Financial Administration Act, Schedule II, Section 2*. URL: <http://laws.justice.gc.ca/en/F-11/59667.html>. Accessed August 2005.

<sup>32</sup> Lucienne Robillard, President of the Treasury Board, *2002 Annual Report To Parliament. Crown Corporations and Other Corporate Interests of Canada*, December 2002. URL: [http://www.tbs-sct.gc.ca/report/CROWN/02/cc-se-02-4\\_e.asp#ministerial](http://www.tbs-sct.gc.ca/report/CROWN/02/cc-se-02-4_e.asp#ministerial). Accessed August 2005.

<sup>33</sup> *Ibid.*

<sup>34</sup> JM Mintz and M Smart, "Brooking no favorites: a new approach to regional development in Atlantic Canada," *C.D. Howe Institute Commentary* 2003; 192. URL: [http://www.cdhowe.org/pdf/commentary\\_192.pdf](http://www.cdhowe.org/pdf/commentary_192.pdf). Accessed May 2005.