

Industry Canada  
**Performance Report**



**For the period ending  
March 31, 2005**

---

Minister of Industry

---

# Contents

- Section 1: Overview of the Department** .....1
  - 1.1 Minister’s Message .....1
  - 1.2 Management Representation Statement .....3
  - 1.3 Industry Canada’s Business: Growing a Dynamic Economy .....5
  - 1.4 Summary Table of Results Achieved by Strategic Outcome .....8
  
- Section 2: Analysis of Performance Accomplishments by Strategic Outcome** .....11
  - A Fair, Efficient and Competitive Marketplace .....11
  - An Innovative Economy .....21
  - Competitive Industry and sustainable communities .....30
  
- Section 3: Supplementary Information** .....42
  - 3.1 Organizational Structure .....42
  - 3.2 Matching Resources to Strategic Outcomes .....43
  - 3.3 Financial Summary Tables .....44
  - 3.4 User Fees .....50
  - 3.5 Major Regulatory Initiatives .....65
  - 3.6 Details on Transfer Payments Programs .....68
  - 3.7 Foundations (Conditional Grants) .....85
  - 3.8 Responses to Parliamentary Committees, Audits and Evaluations for 2004–2005 .....93
  - 3.9 Sustainable Development Strategy .....95
  - 3.10 Procurement and Contracting .....96
  - 3.11 Alternative Service Delivery .....97
  - 3.12 Fuel Storage Tanks .....98
  - 3.13 Horizontal Initiatives .....98
  
- Section 4: Other Items of Interest** .....99
  - 4.1 Strengthening Management Practices .....99
  - 4.2 People: Exemplary Workplace .....99
  - 4.3 Information Management and Information Technology Governance and Responsibilities in Industry Canada .....100
  - 4.4 Service Improvement Initiative .....100
  - 4.5 Section 41 of the *Official Languages Act* .....102
  
- Index** .....104

## Section 1:

## Overview of the Department

## 1.1 Minister's Message



A key priority of the Government of Canada is building an economy that will meet the challenges of the 21st century — an economy that is knowledge-based, technology-driven, and globally competitive. In support of this goal, Industry Canada and the 14 members of the Industry Portfolio encourage innovative basic and advanced research, promote the commercialization and the adoption of new technologies and support the diffusion of transformative ideas throughout our economy. We also work to forge new and improved relationships with international partners, including emerging markets, in science and specialized technical areas. Essential to this work is a framework of marketplace regulations and laws that encourages innovation and stable growth. Through our efforts, the Industry Portfolio is helping to build a world-leading economy driven by talent, ideas and initiative.

The Industry Portfolio is composed of Industry Canada and 14 other federal departments, agencies, Crown corporations, and quasi-judicial bodies. These organizations collectively play a key role in advancing Canada's industrial and economic development as well as fostering progress in science and technology. Investments and efforts to increase energy efficiency, to promote renewable energy sources, and to improve waste management practices are also helping Canada achieve its goals in terms of sustainable development. Advancing these priorities improves the overall health of the Canadian economy and environment, provides opportunities for all Canadians to participate in our economic development and prosperity, and contributes to the quality of life of all Canadians.

Many Industry Portfolio initiatives build upon our strategic investments in research and development and help to move publicly funded scientific and technological advances into the marketplace. Other key activities and programs encourage business growth and help industrial sectors be more innovative. Collectively, Industry Portfolio initiatives — and more importantly the results of those initiatives — stimulate the necessary adaptive and transformative changes demanded by the global economy.

Industry Canada's Departmental Performance Report for the period ending March 31, 2005, describes the achievements and results of the department, including:

#### The organizational members of the Industry Portfolio are:

- Atlantic Canada Opportunities Agency<sup>1</sup>
- Business Development Bank of Canada<sup>2</sup>
- Canada Economic Development for Quebec Regions<sup>1</sup>
- Canadian Space Agency
- Canadian Tourism Commission<sup>2</sup>
- Competition Tribunal
- Copyright Board Canada
- Enterprise Cape Breton Corporation<sup>2</sup>
- Industry Canada
- National Research Council Canada
- Natural Sciences and Engineering Research Council of Canada
- Social Sciences and Humanities Research Council of Canada
- Standards Council of Canada<sup>2</sup>
- Statistics Canada
- Western Economic Diversification Canada<sup>1</sup>

1. Not a Portfolio member for the purposes of the Main Estimates.

2. Not required to submit a Departmental Performance Report.

- Encouraging the adoption and growth of e-commerce by developing world-class regulations and policies, ensuring the fair operation of the marketplace, and supporting the international standardization of e-commerce applications by
  - participating in the development of Asia-Pacific Economic Cooperation Anti-Spam Principles and Implementation Guidelines; and
  - continuing to enhance the Canadian Consumer Information Gateway and the Complaint Courier in response to consumer needs.
- Strengthening Canada's R&D performance and role as a leader in emerging technologies by supporting strategic investments, capacity building, and commercialization, such as
  - committing \$20 million to Precarn Incorporated to fund leading research for intelligent systems and advanced robotics;
  - working with industry under Technology Partnerships Canada's Hydrogen Early Adopters program to foster the development and early introduction in the marketplace of hydrogen and hydrogen-compatible technologies (in 2004–2005, the program contracted four projects for a total investment of \$13.3 million); and
  - promoting more sustainable development by making strategic investments into R&D projects that improve energy efficiency, investigating renewable and other alternative energy sources, and supporting lean manufacturing practices in Canadian industry.
- Stimulating competitiveness and economic growth by improving access to markets and online services, supporting and developing new ideas and technologies, and building a skilled workforce, specifically by
  - continuing FedNor support for a network of 61 Community Futures Development Corporations in Ontario (in 2004–2005, over \$47.7 million was invested in more than 1,100 local businesses, which leveraged over \$90 million from other sources); and
  - improving government services for business and increasing the efficiency and effectiveness of government services, including identifying actions that reduce the paperwork burden on small businesses.

As a member of the Industry Portfolio, Industry Canada has contributed to the industrial and economic development of our nation. The work and contributions of the Department are part of the overall government effort to develop and foster opportunities that reflect Canada's economic and social character. Through these efforts, we are investing in our people, our enterprises, and our future — the result will be a stronger and more prosperous economy for all Canadians.

I am pleased to present the Industry Canada Departmental Performance Report for 2004–2005.



David L. Emerson  
Minister of Industry

## 1.2 Management Representation Statement

I submit, for tabling in Parliament, Industry Canada's Departmental Performance Report for the period ending March 31, 2005.

This document has been prepared based on the reporting principles contained in the Treasury Board of Canada Secretariat's *Guide for the Preparation of 2004–2005 Departmental Performance Reports*:

- It adheres to the specific reporting requirements;
- It uses an approved Business Lines structure;
- It presents consistent, comprehensive, balanced and accurate information;
- It provides a basis of accountability for the results pursued or achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.



Suzanne Hurtubise  
Deputy Minister

September 1, 2005

Date

## 1.3 Industry Canada's Business: Growing a Dynamic Economy

### Context

The Canadian economy continued to grow at a solid pace in 2004. Strong employment growth and improved productivity growth have given Canada the fastest rate of increase in living standards among G7 countries since the balancing of the federal budget in 1997. According to the Organisation for Economic Co-operation and Development (OECD), Canada is the only G7 country expected to record a surplus in 2005 and 2006.

Nevertheless, Canada continues to face economic challenges in the global and knowledge-based economy, particularly as a trading nation with a small domestic economy. Canada's prosperity is directly linked to world events. The Canadian economy must be internationally competitive and be able to withstand shocks by being flexible, adaptable, and responsive to international trends and opportunities. Innovation is crucial to a country's competitiveness and prosperity in a world with intensifying competitive pressures.

As the Government of Canada has outlined, most recently in Budget 2005, continued investments in new ideas and commercial innovation are key to helping build a productive economy that expands opportunities, creates well-paying jobs and improves living standards. While our economy continues to grow — and compares well with our international competitors — we continue to lag behind the United States in productivity growth. Narrowing this productivity gap requires continued government support for commercialization, as well as the diffusion and adoption of innovative processes and technology. It also requires Canadian companies to play a key role in increasing their investments in research and development (R&D), technology, equipment and skilled staff.

To improve the well-being of Canadians, the Government of Canada in 2004 set as one of its core priorities the building of a 21st century economy — a dynamic economy that creates opportunities for its people and is environmentally sustainable. Ensuring that Canada's leading record of economic growth continues, that growth does not come at the expense of future generations, and that Canada has the resources to secure social goals and meet its global responsibilities continued to be key priorities in maintaining a dynamic and sustainable economy. In order to foster the creation and growth of innovative Canadian companies, the government set out the following:

- strengthening the science and technology focus and assessing Government of Canada support for research and development (R&D);
- ensuring more effective commercialization of research;
- improving access to early-stage financing;
- supporting access to markets for small business;
- promoting leading-edge technologies;
- promoting the development of value-added industries, particularly those related to the resource sectors; and
- strengthening the social economy.

Industry Canada played a critical role in developing and implementing the Government of Canada's microeconomic agenda through commitment to creating and commercializing knowledge, improving the business environment, building a skilled workforce, and strengthening the social economy.

## Industry Canada's Mandate

The Department's mandate ([www.ic.gc.ca](http://www.ic.gc.ca)) is to help make Canadians more productive and competitive in the knowledge-based economy, thus improving the standard of living and quality of life in Canada. Industry Canada's policies, programs and services help grow a dynamic and innovative economy that

- provides more and better-paying jobs for Canadians;
- supports stronger business growth through continued improvements in productivity and innovation performance;
- gives consumers, businesses and investors confidence that the marketplace is fair, efficient and competitive; and
- integrates the economic, environmental and social interests of Canadians.

Industry Canada continued to work in support of these objectives and those of the Government of Canada through its three strategic outcomes:

- a fair, efficient and competitive marketplace;
- an innovative economy; and
- competitive industry and sustainable communities.

These three strategic outcomes are mutually reinforcing. Sound marketplace frameworks help establish a business environment that supports innovation, investment and entrepreneurial activity. Fostering innovation in science and technology helps ensure that discoveries and breakthroughs happen here in Canada, and that the social and economic benefits of these innovations contribute to improving Canadians' standard of living and quality of life. Encouraging investment in technology helps Canadian businesses to compete in the global marketplace and increases opportunities for trade. Successful businesses combine with thriving social enterprises and a sound environment to form the sustainable communities that attract investment. Taken together, the Department's strategic

## Progress Toward Achieving Industry Canada's Strategic Outcomes

In developing its Program Activity Architecture, Industry Canada developed indicators to measure progress against each of its strategic outcomes. Below are the baseline results for each of the indicators by strategic outcome.

### A Fair, Efficient and Competitive Marketplace

- Canada tied for sixth place for least restrictive in barriers to competition among Organisation for Economic Cooperation and Development (OECD) countries.
- Canada ranked second for least restrictive in regulatory and administrative capacity among OECD countries.
- Canada ranked second among G7 nations in business executive perceptions of how institutions and government policies support competitiveness.

### An Innovative Economy

- In 2004, government financed 30.5 percent of the gross domestic expenditure on R&D (GERD), as reported by the OECD's *Main Science and Technology Indicators*.
- Statistics Canada 2004 reports indicate that GERD accounts for 1.9 percent of Canada's gross domestic product (GDP).
- Canada ranked second among compared countries in industry–university R&D collaboration. (Industry financed 9.6 percent of higher education R&D in 2001.)
- Canada ranked second in investment in venture capital (0.25 percent of GDP) among compared countries.

### Competitive Industry and Sustainable Communities

- Statistics Canada 2004 reports indicate that \$93,754 million was invested in machinery and equipment.
- Canada ranked second in the use of information and communications technologies among compared countries in 2003.

outcomes support growth in employment, income and productivity, and promote sustainable development in Canada.

This Departmental Performance Report provides information about how Industry Canada has worked to support the broad goals of the Government of Canada by continuing to work with its partners and stakeholders to improve the quality of life of Canadians.

### Government of Canada Outcomes

The President of the Treasury Board's report *Canada's Performance 2005* sets out a number of government-wide outcomes to which Industry Canada contributes. These include:

#### Sustainable Economy

- an innovative and knowledge-based economy
- a fair and secure marketplace
- a clean and healthy environment
- strong regional growth and sectoral competitiveness balanced with sound environmental practices

#### Aboriginal Peoples

- maximized participation and success in early learning, education, training and skills development built on Aboriginal heritage
- safe, stable and sustainable Aboriginal communities
- sustainable wealth creation and participation in the economy

[www.tbs-sct.gc.ca/audience/cdn\\_e.asp](http://www.tbs-sct.gc.ca/audience/cdn_e.asp)

## Industry Canada's Key Partners

In order to fulfill its mandate, Industry Canada works in partnership with members of the Industry Portfolio and a variety of stakeholders in delivering its programs and services, and consults with these stakeholders in developing effective microeconomic policies. Industry Canada continued to develop these cooperative partnerships to sustain Canada's economic growth and identify new challenges and opportunities. The Department recognizes that this collaboration is essential if we are to achieve our strategic outcomes.

### Key Partners

- Members of the Industry Portfolio
- Other government departments
- Industry sectors
- Universities and colleges
- International partners

## Reporting Financial and Non-Financial Performance Information

The Treasury Board of Canada Secretariat introduced the Management, Resources and Results Structure (MRRS) Policy, which took effect April 1, 2005. The MRRS, the key component of which is the Program Activity Architecture (PAA), supports the development of a common, government-wide approach to the collection, management, and reporting of financial and non-financial performance information. The MRSS also reinforces the government's Budget 2005 commitment to strengthening public sector management and accountability.

### Summary of Industry Canada's Financial Performance Information

Planned Spending: \$1,702.6 million

Total Authorities: \$1,655.5 million

2004-05 Actuals: \$1,376.6 million

Industry Canada receives its budget through the Main and Supplementary Estimates approved by Parliament. In 2004-05, Industry Canada's Main Estimates budget was approved at \$1,478.6 million.

Through the Supplementary Estimates, plus other authorities, the Department received additional funding.

Industry Canada is an active participant in the Government of Canada's Expenditure Review exercise. Expenditure Review is about managing tax dollars wisely, effectively and efficiently and ensuring that the government can make the best possible investments in the areas that matter most to Canadians. For information about how Industry Canada is participating in this review, visit:

[www.ic.gc.ca/cmb/welcomeic.nsf/icPages/ExpenditureReview](http://www.ic.gc.ca/cmb/welcomeic.nsf/icPages/ExpenditureReview)



Industry Canada has developed its PAA, which was used as the basis for reporting in the *Report on Plans and Priorities* for 2005–06. However, this Departmental Performance Report (for 2004–05) reports on commitments made in previous Reports on Plans and Priorities (RPPs) when departments reported against the Planning, Reporting and Accountability Structure. Therefore, this document reports on non-financial performance according to Industry Canada's three strategic outcomes, and provides financial information by business line. In this way, it is consistent with the RPP 2004–05 and highlights the complementarity between the two documents.

## 1.4 Summary Table of Results Achieved by Strategic Outcome

This table presents Industry Canada's planned and actual spending, as well as some examples of results achieved by the Department for each of its three strategic outcomes: a fair, efficient and competitive marketplace; an innovative economy; and competitive industry and sustainable communities. The examples of results achieved demonstrate the success of the plans implemented by Industry Canada, as well as the Department's progress toward meeting the priorities and planned outcomes to which it committed in previous RPPs. A more detailed discussion of the results achieved by the Department can be found in Section 2.

<b>Strategic Outcome — A Fair, Efficient and Competitive Marketplace</b>	
	<b>Estimated Actual Spending:</b> \$148 million
<b>Priorities and Planned Outcomes</b>	<b>Example of Results Achieved</b>
<p><b>Priority:</b> Support the Government of Canada's Smart Regulation initiative.</p> <p><b>Planned Outcome:</b> To foster the competitive conditions to attract investment, encourage innovation and protect the public interest.</p>	An Advisory Committee on Paperwork Burden Reduction was created to identify actions to reduce the paperwork burden on small businesses (page 12).
<p><b>Priority:</b> Continue to modernize marketplace framework instruments and their implementation.</p> <p><b>Planned Outcome:</b> To ensure responsive marketplace frameworks for business, consumers and investors.</p>	The Competition Bureau issued its revised <i>Merger Enforcement Guidelines</i> , providing stakeholders with improved transparency and predictability for merger analysis in Canada (page 14).
<p><b>Priority:</b> Continue to improve program and service delivery in accordance with stakeholder needs.</p> <p><b>Planned Outcome:</b> To ensure that the marketplace operates fairly and effectively.</p>	The Office of Consumer Affairs (OCA) continued to enhance the Canadian Consumer Information Gateway and the Complaint Courier in response to consumer needs. Consumer satisfaction with the Gateway and the Complaint Courier continues to be around 70 percent (page 18).
<p><b>Priority:</b> Continue to develop world-class regulations and policies for e-business and the digital economy, and support the international standardization of e-commerce applications.</p> <p><b>Planned Outcome:</b> To create a world-leading environment that encourages the adoption and growth of e-commerce.</p>	Industry Canada assisted in the development of Asia-Pacific Economic Cooperation principles and implementation guidelines for action against spam (page 19).
<p><b>Priority:</b> Improve compliance with marketplace rules through increased enforcement and stakeholder education, awareness and support.</p> <p><b>Planned Outcome:</b> To ensure confidence in the Canadian marketplace.</p>	The Competition Bureau's Immunity Program, which increases its ability to detect illegal cartels, has resulted in fines totalling \$65 million from the identification of illegal cartel behaviour since 1998 (page 19).

<b>Strategic Outcome — An Innovative Economy</b>	
	<b>Estimated Actual Spending:</b> \$459 million
<b>Priorities and Planned Outcomes</b>	<b>Example of Results Achieved</b>
<p><b>Priority:</b> Promote investments in R&amp;D.</p> <p><b>Planned Outcome:</b> To rank among the top five countries in R&amp;D performance.</p>	The Government of Canada committed \$20 million in Budget 2005 to Precarn Inc. to fund leading research for intelligent systems and advanced robotics (page 22).
<p><b>Priority:</b> Support and make strategic investments in the development of innovative technologies.</p> <p><b>Planned Outcome:</b> To improve Canada's standing as a leader in emerging technologies.</p>	Genome Canada competitions financed 79 large-scale projects and platforms focused on niches in health, agriculture, environment, forestry and aquaculture, as well as essential supporting technologies (page 23).
<p><b>Priority:</b> Build research capacity in Canada's private and public sectors.</p> <p><b>Planned Outcome:</b> To continue to strengthen Canada's research advantage gained through previous investments.</p>	The Department continued to provide advice to the research community, undertook research papers, and developed policies to strengthen research capacity and support and monitor tri-council funding programs (page 24).
<p><b>Priority:</b> Encourage commercialization of R&amp;D and improve technology adoption rates.</p> <p><b>Planned Outcome:</b> To allow Canadians to realize the benefits of investments in research, and develop better products and services.</p>	In 2004–05, 11 government departments and 235 private companies used the Communications Research Centre Canada's technology and/or expertise, resulting in the creation of jobs and products for domestic and export markets (page 27).
<p><b>Priority:</b> Invest in and promote research, development and the use of strategic enabling technologies, including those related to the hydrogen economy.</p> <p><b>Planned Outcome:</b> To develop knowledge in fields with good opportunities, including the hydrogen economy, which supports Canada in meeting its climate change goals.</p>	Technology Partnerships Canada's Hydrogen Early Adopters program worked with industry to foster the development and early introduction in the marketplace of hydrogen and hydrogen-compatible technologies. In 2004–05, the program contracted four projects for a total investment of \$13.3 million (page 28).
<b>Strategic Outcome — Competitive Industry and Sustainable Communities</b>	
	<b>Estimated Actual Spending:</b> \$565.1 million
<b>Priorities and Planned Outcomes</b>	<b>Example of Results Achieved</b>
<p><b>Priority:</b> Strengthen partnerships with stakeholders and support trade, investment and retention in priority sectors.</p> <p><b>Planned Outcome:</b> To promote the development of value-added industries and encourage growth in priority sectors.</p>	Industry Canada promoted investment and growth in priority industrial sectors such as aerospace and defence, automotive, chemical/petrochemical, energy and environmental technologies, information and communications technologies, and life sciences (page 31).
<p><b>Priority:</b> Strengthen the social economy.</p> <p><b>Planned Outcome:</b> To promote and grow social economy enterprises.</p>	Industry Canada and the regional development agencies have completed an assessment of their small and medium-sized enterprise (SME) programs to determine the level of access that social economy enterprises have to these programs (page 33).

<p><b>Priority:</b> Support access to capital and increase understanding of the risk capital marketplace, including debt, leasing and risk capital.</p> <p><b>Planned Outcome:</b> To enable businesses with high growth potential to bring their innovations to market.</p>	<p>Industry Canada enhanced the government's knowledge of SMEs and their ability to access risk capital financing, and undertook an evaluation of the Canada Small Business Financing Program to ensure it was still relevant to the needs of small business (page 33).</p>
<p><b>Priority:</b> Continue to build a skilled workforce in partnership with Citizenship and Immigration Canada and Human Resources and Skills Development Canada.</p> <p><b>Planned Outcome:</b> To ensure that Canada has the highly qualified personnel required to develop and apply new ideas and technologies.</p>	<p>Through various partnerships, Industry Canada continued working to fast-track skilled workers who are entering Canada with job offers, attract top international students, and break down barriers to the recognition of foreign credentials and prior work experience (page 34).</p>
<p><b>Priority:</b> Support economic and sustainable development in communities through targeted business development programs.</p> <p><b>Planned Outcome:</b> To stimulate economic growth in targeted communities and improve their sustainability.</p>	<p>The Federal Economic Development Initiative for Northern and rural Ontario (FedNor) continued to support a network of 61 Community Futures Development Corporations in Ontario. In 2004–05, more than \$47.7 million was invested in over 1,100 local businesses, which leveraged more than \$90 million from other sources (page 36).</p>
<p><b>Priority:</b> Strengthen participation in the digital economy by positioning individuals, businesses and communities to take advantage of connectedness opportunities.</p> <p><b>Planned Outcome:</b> To provide Canadians with the means to participate in the creation and sharing of knowledge.</p>	<p>Industry Canada's Student Connections initiative leveraged partnerships with colleges and universities across Canada to deliver practical e-commerce and Internet training to SMEs. In 2004–05, training was provided to more than 16,000 clients, and more than 400 post-secondary students were hired (page 38).</p>
<p><b>Priority:</b> Ensure that Canadians have access to reliable, modern information and communications technology infrastructure.</p> <p><b>Planned Outcome:</b> To allow Canadians in all communities to benefit from the digital economy.</p>	<p>Industry Canada supported 3,786 Community Access Program sites; addressed the broadband needs of unserved communities by funding 58 projects representing 884 communities; provided 102,464 refurbished computers for schools, libraries and not-for-profit organizations; provided \$6.1 million under the Voluntary Sector Initiative; and supported projects in 31 francophone communities (page 38).</p>
<p><b>Priority:</b> Improve online service to Canadians, in particular businesses and entrepreneurs, by leading the development of the government's service to business transformation agenda.</p> <p><b>Planned Outcome:</b> To promote Canadian integrated citizen-centred service delivery across a multi-channelled, multi-service delivery network.</p>	<p>Working with other departments, Industry Canada developed a vision for service to business for the Government of Canada to improve government interactions with businesses and increase the efficiency and effectiveness of government services (page 39).</p>
<p><b>Priority:</b> Continue to help companies achieve their sustainable development objectives through eco-efficiency, and corporate and community sustainability.</p> <p><b>Planned Outcome:</b> To help Canadian businesses become more productive and competitive in the knowledge-based economy and thus improve Canadians' standard of living and quality of life.</p>	<p>In 2004–05, Technology Roadmaps were launched for Welding Technologies and the Forestry sector. These roadmaps assist companies with incorporating lean manufacturing practices into their operations (page 41).</p>

## Section 2:

## Analysis of Performance Accomplishments by Strategic Outcome

This section presents information how Industry Canada worked to meet the key priorities and planned outcomes identified in previous Reports on Plans and Priorities, for each of its strategic outcomes ([www.ic.gc.ca/publications](http://www.ic.gc.ca/publications)).

## STRATEGIC OUTCOME: A FAIR, EFFICIENT AND COMPETITIVE MARKETPLACE

An effective marketplace is necessary to build and maintain consumer confidence and to foster an environment that is conducive to investment and sustainable development. A fair, efficient and competitive marketplace, combined with an effective regulatory framework, creates a business environment that is supportive of innovation and economic growth, while providing protection to individual Canadians. A robust marketplace also enables Industry Canada to explore the use of alternative policy instruments, which both harness the power of the market and advance the Department's sustainable development agenda.

Estimated financial resources allocated during the 2004–05 fiscal year to achieve a fair, efficient and competitive marketplace: \$148 million

Industry Canada is responsible for developing and enforcing legislation, policies and regulations affecting business activities in areas such as competition, telecommunications, privacy, intellectual property, small business financing, bankruptcy and consumer issues. In 2004–05, Industry Canada's marketplace service organizations (MSOs) continued to be involved in the following:

- actively participating in the Government of Canada's Smart Regulation initiative;
- ensuring that the marketplace is responsive to stakeholder needs;
- exploring cost-effective approaches such as spectrum auctions, third-party delivery, alternative case resolution, and voluntary standards and codes to address marketplace issues; and
- ensuring sustainable governance in those areas mandated by various legislative instruments.

### Marketplace Service Organizations

- Canadian Intellectual Property Office
- Competition Bureau
- Corporations Canada
- Marketplace Framework Policy Branch
- Measurement Canada
- Office of Consumer Affairs
- Office of the Superintendent of Bankruptcy Canada
- Spectrum, Information Technologies and Telecommunications Sector

**Planned Outcome:** To foster the competitive conditions to attract investment, encourage innovation and protect the public interest.

**Priority:** Support the Government of Canada's Smart Regulation initiative.

The following examples demonstrate how Industry Canada, through its MSOs, met its priority of **supporting the Government of Canada's Smart Regulation initiative**. As indicated in the Smart Regulation initiative, regulatory frameworks must foster competitive conditions in order to attract investment, stimulate commercialization and protect the public interest.

Although Canada benefits from an internationally recognized regulatory system, continuous improvement is required to develop a competitive advantage for Canadian businesses on the world stage. With the release of *Smart Regulation: Report on Actions and Plans* in March 2005, Industry Canada became a key partner in the government's effort to break down the impediments to efficiency in regulatory processes, and remain adaptable to changing public priorities, as well as accountable to businesses served by the regulatory system.

Among the concerns most often cited by businesses is the cost of regulatory compliance, which undermines the ability of firms to attract investment and become globally competitive. "Paperwork burden" or "red tape" is defined as the time and resources spent by businesses to understand and comply with government rules and regulations. Excessive compliance costs stem from a multitude of different regulatory compliance activities in distinct jurisdictions in three orders of government. Paperwork burden has a disproportionate impact on small businesses.

In March 2005, Industry Canada responded to a Budget 2004 commitment to alleviate the compliance burden on small businesses by creating a new Advisory Committee on Paperwork Burden Reduction. The 14-member advisory committee is co-chaired by the Canadian Federation of Independent Business and Industry Canada. The committee is responsible for making measurable reductions in the regulatory burden facing small businesses and tracking the government's performance in reducing the compliance burden over time. At its first meeting, this public-private sector working group developed a vision and guiding principles for its work, and approved a new Statistics Canada survey to measure regulatory compliance costs.

The Advisory Committee on Paperwork Burden Reduction will work with government to implement the Paperwork Burden Reduction Initiative

(PBRI), a cross-jurisdictional effort to understand the scope and impact of regulatory compliance, measure the extent to which government actions streamline administrative processes and ease the burden of compliance, and report annually on progress to the Minister of Industry. As noted in *Smart Regulation: Report on Actions and Plans*, the PBRI will help businesses evaluate the Government of Canada's performance in reducing the paperwork burden over time.

Supporting smart regulation also takes the form of working with international organizations to influence international processes, encourage the development of marketplace frameworks, share best practices, and represent Canadian views and interests. Such efforts reduce barriers to trade and innovation, and enhance the viability of the Canadian marketplace. For example, the Department's MSOs were involved in the following activities.

#### Vision for Paperwork Burden Reduction

To improve economic productivity by making Canada a world leader in the effective, efficient and accountable administration of regulatory compliance, through the collaborative efforts of government and business.

- The President of Measurement Canada was recently elected President of the International Organization of Legal Metrology (OIML), an intergovernmental treaty organization that promotes the global harmonization of requirements related to the manufacture and use of measuring instruments.
- Measurement Canada also assisted with the development of international model laws concerning liquid measuring instruments, electricity meters and non-automatic weighing instruments. Once completed, these model laws will form the basis of Canadian requirements.
- The Competition Bureau continued to participate in a number of international organizations, such as the International Competition Network (ICN) and the Competition Committee of the OECD, to promote greater cooperation in competition enforcement, including merger review, to improve and streamline the process for the benefit of Canadian businesses.
- As co-chair of one of the subgroups of the ICN Cartel Working Group, the Competition Bureau was instrumental in developing the *Anti-Cartel Enforcement Manual* and organizing a workshop in cooperation with Australia's Competition and Consumer Commission.
- The Office of Consumer Affairs (OCA) continued to chair working groups developing International Organization for Standardization (ISO) customer satisfaction standards pertaining to voluntary codes and dispute resolution.
- The Spectrum/Telecom program continued to work actively through international regulatory forums, such as the Asia-Pacific Economic Cooperation forum and the Inter-American Telecommunication Commission (CITEL), to pursue mutual recognition agreements to reduce barriers to trade in the telecommunications sector.

**Planned Outcome:** To ensure responsive marketplace frameworks for business, consumers and investors.

**Priority:** Continue to modernize marketplace framework instruments and their implementation.

The following examples demonstrate how Industry Canada, through its MSOs, met its priority of **continuing to modernize marketplace frameworks and their implementation**.

Marketplace frameworks must minimize the regulatory burden and create the incentive to innovate, while discouraging illegal and fraudulent marketplace behaviour.

Strengthening consumer trust and business confidence in the commercial use of the Internet and making Internet transactions safer and more secure are key to encouraging e-business. Industry Canada has developed, in partnership with the private sector, consumer organizations and other levels of government, principles for electronic authentication as well as guidelines and a code of practice for consumer protection in electronic commerce.

The authentication principles, launched by the Minister of Industry in May 2004, provide a clear communication of the marketplace expectations and responsibilities of service providers. This has led to some degree of adoption by the private sector. For example, principles are cited in the new rule published by the Canadian Payments Association (CPA) for online payments (CPA Rule E2: Exchange for the Purpose of Clearing and Settlement of Electronic On-line Payment Items). In addition, the Retail Council of Canada has embraced the principles, and recommends their adoption to its membership.

Following the endorsement of the *Canadian Code of Practice for Consumer Protection in Electronic Commerce* by federal, provincial and territorial ministers responsible for Consumer Affairs in Canada, merchants participating in Interac's new online debit card code initiative are required to comply with the Canadian Code of Practice as a term of contract.

The Competition Bureau continues to support the modernizing of the *Competition Act* to ensure that the legislation fosters a competitive marketplace. After several years of consultation with interested stakeholders on possible amendments to the Act, the Government of Canada introduced Bill C-19, An Act to amend the *Competition Act* and to make consequential amendments to other Acts, in the House of Commons on November 2, 2004. The proposed changes will strengthen Canada's competition framework in a global economy by balancing the interests of consumers and businesses, both large and small (see Section 3.5 on page 66).

On September 21, 2004, following an extensive period of public consultation, the Competition Bureau issued its revised *Merger Enforcement Guidelines*, which provide a framework for merger analysis in Canada ([competitionbureau.gc.ca/internet/index.cfm?itemid=1245&lg=e](http://competitionbureau.gc.ca/internet/index.cfm?itemid=1245&lg=e)). The revised guidelines clarify and explain the Bureau's approach to merger review under the *Competition Act*, reflect legal and economic advancements over the years, provide stakeholders with improved transparency and predictability for merger analysis in Canada, and assist businesses by clearly detailing how the Bureau analyzes mergers. The following are some of the key improvements of the revised guidelines:

- an explanation of the Bureau's approach to market definition;
- a detailed description of the Bureau's analysis of competitive effects arising from a merger; and
- a summary of the current law on efficiencies.

Industry Canada led the development of legislation to implement the World Trade Organization's (WTO's) August 30, 2003, decision related to intellectual property and public health. On May 14, 2004, Bill C-9, *The Jean Chrétien Pledge to Africa* (JCPA), received royal assent. On May 14, 2005, the Bill and its accompanying regulations came into force. The Act establishes a legal framework allowing lower-cost versions of patented pharmaceutical products to be exported to countries that are unable to manufacture their own such products. With the Act, the Government of Canada has shown leadership in helping people in developing countries to fight HIV/AIDS, malaria, tuberculosis and other public health problems by facilitating their access to safe, effective and much-needed medicines. Industry Canada's Marketplace Framework Policy Branch (MFPB) in collaboration with Health Canada are now required to jointly establish an expert advisory committee within three years of the legislation's coming into force. The committee, which will be composed of experts in several fields, will make recommendations to the Government of Canada on which pharmaceutical products should be eligible for export under the above-mentioned regime.

The Canadian Intellectual Property Office has brought forward legislation to provide relief to patent holders and applicants who have been affected by the decision of the Federal Court of Appeal in *Dutch Industries Ltd. v. Commissioner of Patents, Barton No-Till Disc Inc. and Flexi-Coil Ltd.*, and to allow for the coming into force of the JCPA. Bill C-29, An Act to amend the *Patent Act*, was introduced in the House of Commons on December 3, 2004, and received royal assent on May 5, 2005. The amendments placed the schedules contained in the JCPA inside the *Patent Act* and provided equal participation of the Senate to select candidates for an expert advisory committee under the JCPA. The amendments to the *Patent Act* will also provide patent holders and applicants with a one-year time limit for the correction of past fee payments to ensure the validity of their patent rights. This legislative initiative builds upon the Government of Canada's commitment toward good government and smart regulation that enhances the conditions for an innovative economy, while finding improved ways to ensure the establishment of the highest standards.

On December 11, 2004, Industry Canada and Health Canada introduced a package of amendments to the Patented Medicines (Notice of Compliance) Regulations and the data protection provisions of the *Food and Drugs Act*. Together, these amendments are designed to

improve the regulatory environment for pharmaceuticals by establishing more predictable and stable rules relating to the protection of intellectual property. Moreover, the amendments seek to optimize the balance between encouraging continued innovation in new drugs and promoting generic drug competition. Since the amendments were pre-published, Industry Canada and Health Canada have received a number of written submissions and have met with interested stakeholders. Officials are currently reviewing the submissions to determine if any changes are warranted to this package of regulatory amendments.

In addition, MFPB has committed to review and reform the *Copyright Act* to address the short-term copyright priority issues identified in *Supporting Culture and Innovation: Report on the Provisions and Operation of the Copyright Act* (Section 92 Report). Modernizing the Act will help address key issues arising from the digital economy, provide adequate online protection for copyright holders, and clarify the law for rights holders, intermediaries and users in a manner that is adaptable to technological innovations (see Table 3.8 on page 93).

Following extensive consultation and taking into account the *Interim Report on Copyright Reform: Report of the Standing Committee on Canadian Heritage*, the government presented its position in a document entitled “Government Statement on Proposals for Copyright Reform.” This sets out the government’s intention to amend the *Copyright Act* to address the challenges and opportunities of the Internet. In this respect, Bill C-60, An Act to amend the *Copyright Act*, was introduced on June 20, 2005. The reform of the *Copyright Act* will ensure that Canada’s copyright regime continues to support Canadian creativity and innovation in a manner that balances the rights of copyright owners with the needs of intermediaries and users.

In Budget 2004, the Government of Canada committed to creating a new Canada not-for-profit corporations act to help support a vibrant social economy. To achieve this end, MFPB proposed a legislative package that was introduced in Parliament as Bill C-21 in November 2004. Bill C-21 will create a new Canada not-for-profit corporations act, which will replace Parts II and III of the *Canada Corporations Act*. Industry Canada officials appeared before the Committee of Industry, Natural Resources, Science and Technology in December 2004 to provide detailed technical information about the content of the Bill. Industry Canada is currently monitoring the committee’s review of the Bill in order to provide advice on whether or not recommendations for amendments should be made.

Once created, the Canada not-for-profit corporations act will ensure a corporate framework law that is responsive to the needs of the not-for-profit sector, making it easier to incorporate, and providing for modern governance rules that enhance transparency and accountability. The not-for-profit sector represents an important government partner in serving the needs of Canadians.

As announced in Budget 2004, MFPB is committed to strengthening investor and public confidence in Canadian markets by proposing amendments to the *Canada Business Corporations Act* (CBCA). In May 2004, a consultation paper was released to facilitate discussion and call for suggestions. This consultation work will help the Department achieve a better comprehension of the context and help ensure that, if necessary, appropriate recommendations to amend the CBCA are made. The results of these consultations are currently being reviewed. This initiative is designed to examine the need to raise the corporate governance standards of federally incorporated companies in light of developments by security regulations in other countries.

To ensure that Canada’s insolvency system responds to the needs of the rapidly evolving marketplace and in response to the recommendations made by the Senate Committee on Banking, Trade and Commerce, MFPB and the Office of the Superintendent of Bankruptcy Canada (OSB) have examined proposals for the reform of the *Bankruptcy and Insolvency Act* and the *Companies’ Creditors Arrangement Act*. As a result, Bill C-55 was introduced in Parliament on June 3, 2005. Bill C-55 amends the *Bankruptcy and Insolvency Act* and



*Companies' Creditors Arrangement Act*, establishes the Wage Earner Protection Program and proposes a comprehensive reform to Canada's insolvency system. The legislative reform will enhance accessibility, transparency, accountability and creditor confidence in the system through the following:

- encouraging restructuring as an alternative to bankruptcy;
- improving protection for workers and pensions in bankruptcy;
- making the system fairer and reducing the scope for abuse; and
- improving and streamlining the administration of the insolvency system.

Industry Canada is committed to bringing reforms to its Spectrum Policy Framework, which contains the essential policy elements of Canadian spectrum management and plays a critical role in economic growth and security. The Minister of Industry launched a full review of the Spectrum Policy Framework in May 2005 and released a discussion paper entitled "Consultation on a Renewed Spectrum Policy Framework for Canada and Continued Advancements in Spectrum Management" ([strategis.ic.gc.ca/epic/internet/insmt-gst.nsf/en/sf08385e.html](http://strategis.ic.gc.ca/epic/internet/insmt-gst.nsf/en/sf08385e.html)). The discussion paper focuses on issues such as increased flexibility in the use of spectrum resources, facilitating the introduction of new technologies, smart regulation, access to underutilized spectrum, greater reliance on market-based licensing and availability of licence-exempt spectrum. A comprehensive review and revision of the Spectrum Policy Framework is necessary to ensure that the framework serves as the best possible base for the continued modernization of the Spectrum Management program, and accommodates the increasing demand for wireless products by consumers and businesses.

The Spectrum, Information Technologies and Telecommunications (SITT) Sector has prepared legislation that would provide Canadians with an easy and effective way to protect their privacy and limit intrusive telemarketing. Bill C-37, An Act to amend the *Telecommunications Act*, was tabled by the Minister of Industry on December 13, 2004, and subsequently referred to the Standing Committee on Industry, Natural Resources, and Science and Technology following first reading. If enacted, the legislation would provide the Canadian Radio-television and Telecommunications Commission with the ability to establish a national Do Not Call List, including the power to levy substantial penalties against telemarketers who do not follow the rules. A national Do Not Call List will provide Canadians, the vast majority of whom consider telemarketing an unwanted intrusion, with an easy, effective way to protect their privacy.

To ensure that Canada has a modern and world-class marketplace framework in the telecommunications sector, Industry Canada sought a parliamentary review of the restrictions on foreign investment in telecommunications. In responding to the Standing Committee on Industry, Natural Resources, Science and Technology, the government acknowledged that there are benefits to removing the foreign investment restrictions for the telecommunications industry, as well as for the users of these services. Rather than review the foreign investment restrictions as one issue, the Minister of Industry has requested a broader telecommunications policy review, encompassing all aspects of telecommunications regulation, development, adoption and use. The Government of Canada announced the appointment of a panel of eminent Canadians to review Canada's telecommunications policy and regulatory framework. The panel has been asked to make recommendations on how Canada can move to a modern telecommunications framework in a manner that benefits Canadian industry and consumers.

In addition to the work of the MSOs, Industry Canada's Lobbyists Registration Branch administers the *Lobbyists Registration Act*, which requires individuals to register and disclose certain information if they are paid to lobby or make representations to the federal government. The Assistant Deputy Minister of the Comptrollership and Administration Sector is the designated Registrar. Draft regulations amending the Lobbyists Registration Regulations were pre-published in Part I of the *Canada Gazette* on December 18, 2004. Following a 60-day

comment period, steps were taken to send the Regulations for final publication in Part II of the *Canada Gazette*. Improvements were also made to the electronic registry in anticipation of the new system's launch and the Act's coming into force. The amended Act, supported by the improvements made to the electronic registry, will help to ensure that Canada continues to have one of the most effective and transparent registration disclosure regimes in the world.

The first phase of the United Nations World Summit on the Information Society (WSIS) in 2003 built high-level international support for the Connecting Canadians model and a broad appreciation for Canadian expertise. To achieve a satisfactory outcome on Internet governance, Industry Canada and Foreign Affairs Canada co-chaired the federal government preparations for the second phase of the WSIS, to be held in November 2005. The goal is to ensure the security and reliability of the Internet, as well as to continue the growth of the information society in Canada. It also involves creating opportunities for Canadian companies and organizations to take advantage of Canada's recognized leadership, particularly in developing countries, by encouraging them to establish fair and efficient marketplace rules.

Industry Canada continued to promote the use of information and communications technologies internationally in the overall development agenda. In 2004–05, Industry Canada led an international effort to develop a framework to clearly demonstrate the impact of ICTs on the global development agenda, specifically the eight United Nations Millennium Development Goals. United Nations agencies, the World Bank, and the OECD participated actively in this work. Industry Canada also continued its active involvement in the UN ICT Task Force, the prime international focal point for discussion and policy coherence on global ICT policy issues. Industry Canada continued to deliver a set of ICT initiatives aimed at promoting the use of ICTs for development in Africa. These initiatives are funded through the Canada Fund for Africa at the level of \$35 million over five years.

**Planned Outcome:** To ensure that the marketplace operates fairly and effectively.

**Priority:** Continue to improve program and service delivery in accordance with stakeholder needs.

The following examples demonstrate how Industry Canada, through its MSOs, met its priority of **continuing to improve program and service delivery in accordance with stakeholder needs**. In the current networked economy, it is paramount that consumers, businesses and innovators have access to state-of-the-art, user-friendly tools and information in order to make more effective decisions.

In July 2004, the Canadian Intellectual Property Office began conducting international searches, producing international search reports and written opinions in conformity with established international guidelines, enabling its clients to acquire patent rights worldwide. These new services enable the agency, as an International Searching Authority and International Preliminary Examining Authority, to contribute to the Department's commitment to continued excellence in the area of service delivery and to help ensure an efficient and competitive marketplace.

As chair of ISO working groups, the OCA continued to play a leadership role in the development of ISO standards for customer satisfaction codes of conduct and dispute resolution. The working groups developed the first consultation drafts of these two standards, which were circulated to Canadian stakeholders for comments. Use of the ISO standards is expected to enhance consumer satisfaction with a firm's products, services and activities, thereby decreasing the need for government intervention.

Following a multi-stakeholder development process, the OCA published *Good Practice Guidelines for Canadian Movers* and an associated *Consumer Checklist for Choosing a Moving Company*. The guidelines and checklist are now used as part of a certification program offered by the Canadian Association of Movers.

The OCA continued to enhance the Canadian Consumer Information Gateway and the Complaint Courier in response to consumer needs, and to focus on client outreach activities. The Complaint Courier, a feature of the Gateway, is a leading-edge tool that enables consumers to file complaints more effectively and efficiently. Consumer satisfaction with the Gateway and the Complaint Courier continues to be around 70 percent. By providing seamless access to such a wide and trusted base of consumer information, the Gateway is making a significant contribution to ensuring that consumers have the knowledge base they need to be better protected, to navigate the marketplace more effectively and to make decisions with confidence.

Measurement Canada continued to align its programs and services in accordance with stakeholder needs by performing reviews of sectors in which measurement forms the basis of financial transactions. These reviews involved extensive consultation with stakeholders to obtain their feedback on how measurement accuracy should be achieved and monitored in their sectors. Measurement Canada addressed recommendations stemming from reviews in the Natural Gas, Electricity, Downstream Petroleum, Retail Food and Dairy sectors, and completed reviews in the Retail Petroleum, Upstream Petroleum and Water Trade sectors ([strategis.ic.gc.ca/epic/internet/inmc-mc.nsf/en/h\\_lm02863e.html](http://strategis.ic.gc.ca/epic/internet/inmc-mc.nsf/en/h_lm02863e.html)).

The OSB continued to expand its e-filing system, initially launched in December 2002, to accommodate consumer proposals. Expansion of the e-filing system will ensure that clients have electronic access to public record information, providing Canadians with a more efficient and effective system that facilitates the filing of all documents by the trustee community.

Corporations Canada continues to expand the number of provincial/territorial partners in its online system. Corporations Canada and the Province of British Columbia are in the process of finalizing the details of an agreement that would enable British Columbia to participate in the joint online registration initiative. This initiative makes the registration process simpler for corporations and allows businesses to register with more provinces/territories in a single transaction. The most recent multi-registration feature facilitates multiple extra-provincial registrations for federal incorporations, benefiting both businesses and provinces participating in the partnership.

SITT has explored opportunities to modernize its spectrum management software to increase use and service delivery, spectrum access and post-market surveillance. As a first step, SITT has completed the analysis and planning phase of the Spectrum Informatics Review and Redesign. Phase II, the implementation phase, will involve upgrading and replacing the current spectrum management systems to increase client service capabilities. This phase will take place over several years.

Industry Canada's Emergency Telecommunications Program ([spectrum.ic.gc.ca/urgent](http://spectrum.ic.gc.ca/urgent)) continued its work to ensure that Canadians have access to essential services in the event that the nation's critical infrastructures are disrupted. For example, Wireless Priority Service (WPS), a joint initiative between Industry Canada, Public Safety Emergency Preparedness Canada and Rogers Wireless, became available on Rogers Wireless networks in Canada on November 23, 2004. Canada's WPS will enhance the capacity of our officials and first-line responders to communicate during times of emergency and will ensure that Canadians continue to have access to essential services in the event of an emergency. WPS is available to 93 percent of the Canadian population. In addition, the second Canadian Public Alerting Forum took place in March 2005. The objective of the forum was to present a vision of public alerting in Canada, map out the road ahead and share best practices.

To complement Canada's strength in the emergency preparedness areas, Industry Canada, in collaboration with the telecommunications industry, is committed to enhancing the cyber-security of Canada's telecommunications and information infrastructure. For instance, progress has been made on the Canadian Telecom Cyber Protection (CTCP) initiative, with wireline telecommunications providers working together to share information to protect their networks. CTCP has been expanded to include outreach to other telecommunications service providers including Internet, cable and wireless providers. The sharing of information will help increase the security of Canada's cyber-networks.

**Planned Outcome:** To create a world-leading environment that encourages the adoption and growth of e-commerce.

**Priority:** Continue to develop world-class regulations and policies for e-business and the digital economy, and support the international standardization of e-commerce applications.

The following examples demonstrate how Industry Canada, through its MSOs, met its priority of **continuing to develop world-class regulations and policies for e-business and the digital economy, and support the international standardization of e-commerce applications.**

To create a favourable environment for e-commerce, Industry Canada continued to address the demand for policy, legal, technological and business tools aimed at minimizing the risks and damage to the legitimate use of the Internet. For example, recognizing the growing significance of spam, Industry Canada announced an Anti-Spam Action Plan for Canada in May 2004, and established a public-private sector task force to oversee and coordinate the implementation of the plan. Adhering to its one-year mandate, the Task Force released its final report, *Stopping Spam: Creating a Stronger, Safer Internet*, in May 2005. The report recommends legislative action, industry standards and best practices, public education and international cooperation. Work is already underway domestically in many of these areas. Internationally, Industry Canada continued to work within various global forums to develop harmonized responses for e-commerce. Most recently, Canada assisted in the development of the Asia-Pacific Economic Cooperation (APEC) principles and implementation guidelines for action against spam, which was adopted by APEC telecommunications ministers.

In 2004–05, Canada also continued to play a key policy leadership role within APEC and OECD forums. Some of the work in which Canada was involved included addressing the threats and vulnerabilities of the Internet.

**Planned Outcome:** To ensure confidence in the Canadian marketplace.

**Priority:** Improve compliance with marketplace rules through increased enforcement and stakeholder education, awareness and support.

The following examples demonstrate how Industry Canada, through its MSOs, met its priority of **improving compliance with marketplace rules through increased enforcement and stakeholder education, awareness and support.**

In support of its role in combatting deceptive telemarketing and mail cases, the Competition Bureau became a key member of several new strategic law enforcement partnerships in Alberta and Atlantic Canada. These partnerships facilitate more effective and coordinated approaches to combatting deceptive marketing conduct, and add to the existing law enforcement partnerships already in place in Ontario, British Columbia and Quebec.

The Bureau continued to chair the Fraud Prevention Forum — a group of private sector firms, consumer and volunteer groups, government agencies, and law enforcement

### Competition Bureau and Enforcement

The Bureau was successful in its litigation against Yellow Business Directory.com, a business engaged in deceiving Canadian businesses through the sending of phony invoices for its directory service.

The case resulted in total fines of \$915,000 and jail sentences against four individuals for violation of the misleading and deceptive practices provisions of the *Competition Act*.

#### **Results of the Immunity Program**

In 2004–05, Canadian courts awarded fines totalling \$12 million — \$11 million of which is attributable to international cartels.

It is estimated that, during the same period, Canada's economy was negatively affected by about \$1.3 billion in illegal cartel activity.

Since 1998, the identification of illegal cartel behaviour through the Competition Bureau's Immunity Program has resulted in fines totalling \$65 million.

organizations committed to fighting fraud aimed at consumers and businesses. The forum focuses on awareness and education, as well as on the increased reporting of fraud when it occurs. February 2005 was Fraud Awareness Month, a month-long campaign aimed at educating Canadians on how to protect themselves from fraud. Post-campaign public opinion research confirmed that the messages about marketing fraud and identity theft were reaching the public. In fact, 50 percent of Canadians recalled receiving messages related to fraud awareness in 2005, and 9 out of 10 considered the messages useful. It also found that Canadians support more public education and enforcement measures to combat marketing fraud.

The identification, prosecution and the deterrence of illegal, international and domestic cartels that negatively affect the Canadian economy is one of the Competition Bureau's major activities to support building a fair, efficient and competitive marketplace economy. In order to increase its ability to detect such cartels, the Competition Bureau has developed an Immunity Program, under which participants involved in illegal competitive behaviour are invited to come forward with information in exchange for immunity from prosecution ([competitionbureau.gc.ca/internet/index.cfm?itemID=1752&lg=e](http://competitionbureau.gc.ca/internet/index.cfm?itemID=1752&lg=e)). In an effort to expand cartel investigation capabilities further, and provide local expertise and presence, the Competition Bureau has begun a process of dedicating regional resources to address illegal cartel activities, particularly bid-rigging situations.

The OSB has now completed Phase I of the Initiative for the Orderly and Timely Administration of Insolvency Estates (IOTA). Under Phase I of this initiative, 11,144 bankrupt estate files were finalized. By facilitating a more timely administration of aged bankrupt estates, \$17.6 million was returned to Canadian businesses and individuals in the form of dividend distributions.

## STRATEGIC OUTCOME: AN INNOVATIVE ECONOMY

Innovation includes both the creative process of generating and applying knowledge, and the outcome of that process (i.e. new products or new processes). It means coming up with new ideas about how to do things better or faster by applying knowledge to the development of products and services. In the current, knowledge-based economy, innovation is a key driving force in creating wealth and economic growth and increasing the quality of life for Canadians. In 2004–05, Industry Canada continued to partner with stakeholders to undertake the following:

Estimated financial resources allocated during the 2004–05 fiscal year to achieve an innovative economy: \$459 million

- promote investments in R&D;
- encourage the commercialization of R&D results;
- support the development of emerging technology sectors; and
- support the development and adoption of enabling technologies for eco-efficiency.

**Planned Outcome:** To rank among the top five countries in R&D performance.

**Priority:** Promote investments in R&D.

The following examples demonstrate how Industry Canada met its priority of **promoting investments in R&D**.

Based on the most recent available information, Canada's ranking in R&D performance improved from 15th position among OECD countries in 1998 to 13th position in 2001. The Government of Canada continues to work toward further improving Canada's R&D performance. Industry Canada has undertaken a number of initiatives to achieve this objective.

In an effort to measure our progress toward a more innovative economy, Industry Canada commissioned a report by the Conference Board of Canada that establishes Canada's current innovation performance ([www.conferenceboard.ca/inn/abstracts/innov\\_benchmark.htm](http://www.conferenceboard.ca/inn/abstracts/innov_benchmark.htm)). The report is vital to achieving Canada's innovation goals by first measuring where we stand against 17 global benchmarks. The results indicated that we are predisposed to collaborate and share knowledge, and that we have a highly qualified workforce and a strong foundation of skills — all of which are key ingredients of improved innovation performance. Opportunities to enhance Canada's innovation performance include effective commercialization of innovation, enhancing business investment in R&D and better integration of immigrants into the workforce. Also highlighted in the report are some areas for further research, as well as data gaps that will need to be addressed to develop indicators that will enable more effective benchmarking.

Working in partnership with other levels of government, academia and the private sector is key to improving Canada's innovation performance. To increase awareness of Canadian expertise and the importance of private sector investing in R&D, Industry Canada undertook a number of initiatives in partnership with a variety of sectors and organizations, including the following:

- More than 80 examples of Canadian companies and consortia implementing lean manufacturing were published online. In order for businesses to stay competitive and make productivity gains, they must adopt innovative technologies and processes. Through real, practical examples of success stories, manufacturers can recognize possible lean applications for their companies to improve profitability and reduce waste. This awareness allows them to identify future R&D investment needs and understand the benefits of such investment.

- With Industry Canada support, the Canadian Centre for Marine Communications organized a first Ocean Innovation conference. At this event, a number of ocean sector organizations formed a new collaborative organization to work together on mutual objectives. This will address the fragmented nature of the Canadian ocean technology sector and enable more integrated R&D activities, with less duplication and overlap of efforts.
- The Government of Canada committed \$20 million in Budget 2005 to Precarn Inc., Canada's leading research organization for intelligent systems and advanced robotics. Precarn funds industry-led projects to meet technology needs and improve processes in different sectors of the Canadian economy, including resource industries, manufacturing, environmental safety and health care. Precarn projects have a high rate of success, because they bring together technology users and technology developers, with the support of a network of expert researchers drawn from Canadian universities, colleges and government laboratories.

**Planned Outcome:** To improve Canada's standing as a leader in emerging technologies.

**Priority:** Support and make strategic investments in the development of innovative technologies.

The following examples demonstrate how Industry Canada met its priority of **supporting and making strategic investments in the development of innovative technologies**.

Industry Canada is the lead department of the seven federal signatory partners to the Canadian Biotechnology Strategy (CBS), and the Department houses the Canadian Biotechnology Secretariat (CBSec). The objective of the CBS is to position Canada as a responsible world leader in biotechnology, as well as to enhance the quality of life of Canadians in terms of health, safety, the environment, and social and economic development. The strategy identifies and helps to manage the opportunities and challenges created by increasing the use of biotechnology across many sectors of our society. External advice is integrated through the Canadian Biotechnology Advisory Committee (CBAC).

The CBSec coordinates CBS Fund investments of \$6 million to support horizontal policy work related to biotechnology priorities, including commercialization, stewardship and regulations, and building the bio-based economy. In 2004–05, the CBSec initiated analytical work on biotechnology trends and completed the International Public Opinion Research on Emerging Technologies ([biostrategy.gc.ca/english/View.asp?pmiid=524&x=720](http://biostrategy.gc.ca/english/View.asp?pmiid=524&x=720)). This research resulted in the following:

- strengthened policy advice for ministers on priority biotechnology issues;
- increased international collaboration on the ongoing CBS study of public attitudes toward biotechnology and emerging technologies;
- an enhanced position for Canada as a world leader in public opinion research in biotechnology; and
- the provision of international comparable data that will serve to improve decision making.

#### Government of Canada BioPortal

This online gateway to the latest government information on biotechnology brings together resources from all federal departments and agencies, and includes the following:

- government policy and research activity;
- business support programs and market intelligence;
- a virtual library of educational resources; and
- regulations on biotechnology research and applications.

[biotech.gc.ca](http://biotech.gc.ca)

In 2004–05, the CBAC released a major report entitled “Biotechnology and the Health of Canadians” which recommended actions to ensure Canadians benefit from technological advances ([cbac-cccb.ca/epic/internet/incbac-cccb.nsf/en/ah00488e.html](http://cbac-cccb.ca/epic/internet/incbac-cccb.nsf/en/ah00488e.html)). The CBAC also provided advice as to the rationalization of patent law in the age of biotechnology; completion of the Biotechnology Regulatory Framework; and genetic research and privacy. It also engaged stakeholders and experts around the issue of the research impact of Canada’s intellectual property protection of human genetic materials.

To strengthen Canada’s research capacity in genomics, the Government of Canada provided Genome Canada with an additional \$60 million in Budget 2004. This funding will support research in genomics, the study of the genetic code of human beings and other living things. Genome Canada’s objective is to enable Canada to become a world leader in selected areas of genomic and proteomic research by bringing together consortia to deliver genomics and proteomics research, technology platforms, and major genomics and proteomics projects.

To ensure that cutting-edge small and medium-sized enterprises (SMEs) have the opportunity to undertake the necessary R&D, Technology Partnerships Canada (TPC) ([tpc.ic.gc.ca](http://tpc.ic.gc.ca)), a special operating agency of Industry Canada, continued to invest in SME technologies, both directly and through its partnership with the National Research Council Canada (NRC). In 2004–05, TPC contracted 31 projects for a total investment of \$256.5 million. In addition, TPC contracted 40 more projects through NRC’s Industrial Research Assistance Program (IRAP) for a total investment of \$15 million. By providing conditionally repayable contributions to all sizes of companies for R&D projects, the TPC program expedited the introduction of new technologies in Canada.

Industry Canada provided funding to CANARIE Inc., Canada’s leading Internet organization, to develop and operate CA\*net 4, a high-performance research network that links Canadian research institutions with research partners across the country and around the world ([www.canarie.ca](http://www.canarie.ca)). In 2004–05, CA\*net 4 introduced User Controlled LightPath technology, which gained worldwide recognition and use by other countries. This was a major breakthrough for the capabilities of advanced research networks. CA\*net 4 has made it possible for Canadian researchers to participate in and lead multinational research in areas such as cancer, brain mapping, the human genome, environmental monitoring and high-energy physics. Connections were also established to extend CA\*net 4 to the Yukon, Northwest Territories and Nunavut.

### Genome Canada Successes

In 2004–05, Genome Canada continued to work in partnership with academia and the private sector, and financed 79 large-scale projects and platforms focused on niches in health, agriculture, environment, forestry and aquaculture, as well as essential supporting technologies where Canada is, or could become, a world leader.

Successes include the sequencing of the Severe Acute Respiratory Syndrome (SARS) virus as well as the bovine and poplar tree genomes.

The short three-year period of genomics research has resulted in 30 patent applications filed, two patents issued, 43 invention declarations filed, and 28 new or improved products, services or processes.

[genomecanada.ca](http://genomecanada.ca)

### Supporting Innovation in the Marketplace

TPC has supported investments in the following:

- MetroPhotonics Inc., to develop nano-photonics integrated circuits, which are key in manufacturing smaller and more powerful photonic-based telecommunications products;
- Cloakware Corporation, to enhance capabilities in software security technologies that will prevent network intrusions and obstruct hacker attacks; and
- AXYS Technologies Inc., to develop technologies for monitoring the ocean environment that will safeguard the health of our waterways.

Each investment allows Canadian SMEs to research and develop new tools for the future, enabling Canadian industries to take the lead in the marketplace by bringing forward innovation.

[tpc.ic.gc.ca](http://tpc.ic.gc.ca)



Industry Canada co-leads the Working Group on Science, Technology and Commercialization for Canada's Oceans Action Plan (OAP), a successful horizontal collaboration across departments and regional agencies. The OAP received \$28.4 million in Budget 2005. Under Phase I of the OAP, two key initiatives will be implemented: the Oceans Technology Network and the Placentia Bay Technology Demonstration Platform. The goal of these projects is to strengthen the industry within the inter-regional cluster framework, contribute to greater sharing of information and develop partnerships to facilitate commercialization. In addition, the Placentia Bay Demonstration Project will promote Canada's ocean technology sector and support integrated management for the OAP.

**Planned Outcome:** To continue to strengthen Canada's research advantage gained through previous investments.

**Priority:** Build research capacity in Canada's private and public sectors.

The following examples demonstrate how Industry Canada met its priority of **building research capacity in Canada's private and public sectors**.

To further enhance Canada's R&D performance in relation to other OECD countries, the Department continued to develop mechanisms for building research capacity in all of Canada's universities. The following are some of the activities in which Industry Canada was involved:

- consulting with the research community;
- preparing analytical research papers on issues related to university R&D;
- monitoring the research activities of OECD countries;
- developing policies to strengthen the research capacity at Canadian universities;
- continuing to participate in the management of tri-council funding programs, such as the Canada Research Chairs Program, the Indirect Costs of Research Program, and the Networks of Centres of Excellence; and
- continuing to lend support to and monitor the performance of arm's-length granting organizations, such as the Pierre Elliott Trudeau Foundation and the Canada Foundation for Innovation.

These initiatives will strengthen Canada's research advantage by increasing Canada's pool of highly qualified personnel. They will also provide incentives for researchers to remain in or come to Canada to conduct research. Providing funding to support additional infrastructure, indirect costs and graduate students will allow researchers to focus more of their time on their research. It will also provide a more comprehensive funding environment, which will lead to higher quality results and a greater return from investments in grants for basic research.

Industry Canada also continued to work with specific industry sectors to encourage them to build their research capacity. For example, the Department is working with federal and provincial/territorial governments, as well as with industry, to align the research needs of the oil and gas industry with already-established research capabilities in the regions. The Department is a key participant in the R&D subcommittee of the Atlantic Energy Roundtable, which identified key research areas of interest to petroleum operators on Canada's east coast and is consulting with academia and researchers on forming communities of interest for these focus areas.

As part of its ongoing efforts to enhance capacity and promote excellence in government science and technology (S&T), Industry Canada continued to support the Council of Science and Technology Advisors (CSTA), the independent advisory body that provides advice to Cabinet on the strategic management of the federal government's internal S&T enterprises.

In February 2005, the CSTA released a report, *Linkages in the National Knowledge System (LINKS)* ([csta-cest.ca/index.php?ID=177&Lang=En](http://csta-cest.ca/index.php?ID=177&Lang=En)). The report recommends actions that the federal government can take to foster S&T collaboration and integration among federal government departments and between the government and the other sectors of the national science and innovation system, notably industry and academia.

In December 2004, a new framework for federal S&T was adopted. This framework will help bring more coherence and consistency to the management of S&T across federal science-based departments and agencies, thereby facilitating the integration of federal S&T.

In addition, the Department completed an assessment of federal government support for R&D, which resulted in the report *Competitiveness through Excellence*. The assessment yielded a number of findings with respect to each of the sectors that perform R&D. It also revealed some of the challenges, such as the need for a better understanding of outcomes that apply across R&D performing sectors. Future studies may build on this report in an effort to produce a more evaluative study of the impacts that investments in R&D have on the economy and on the quality of life of Canadians.

**Planned Outcome:** To allow Canadians to realize the benefits of investments in research, and develop better products and services.

**Priority:** Encourage commercialization of R&D and improve technology adoption rates.

The following examples demonstrate how Industry Canada met its priority of **encouraging commercialization of R&D and improving technology adoption rates**.

Through the Minister of Industry and the National Science Advisor, the Government of Canada studied how Canada's commercialization environment can be improved and how Canada can become a global leader in commercializing our intellectual property assets. The analysis examined Canada's commercialization performance relative to other nations, as well as the challenges Canada faces in enhancing its commercialization activities and its competitiveness. The research and analysis has provided a solid understanding of key elements required to improve the commercialization performance of Canada's firms and research institutions, and revealed that Canada must continue to focus on the following policy areas to improve its commercialization performance:

- competitive markets;
- R&D and commercialization capacity in universities and federal laboratories;
- the development of critical skills such as technical, business, managerial and financial skills;
- the adequate supply of risk capital; and
- strong linkages between stakeholders in the value chain.

The review of Canada's commercialization environment also found that the commercialization of new technologies is reliant on success factors that are specific to individual sectors. Across industry sectors, there are differences in structure and composition. For example, success factors may depend on whether the sector is capital- or labour-intensive, whether or not it is heavily reliant on energy, its proximity to market, or the necessity for economies of scale. Industry Canada commissioned a study of six sectors to develop a framework of factors for successful commercialization in Canada. The framework will be used to analyze other sectors to give a unique picture of a particular industry's factors for success.

In supporting the goals of the Government of Canada, Industry Canada is already active in many of the key policy areas. This includes being responsible for many of the programs and foundations that are building and sustaining the research base, working with other government departments to improve the regulatory business environment, and striving to increase the supply of risk capital through the Business Development Bank of Canada. In addition, as commercialization is primarily a private sector activity, a panel of experts established by Industry Canada will advise the Government of Canada on new strategies to ensure that more new technologies and products make their way to the marketplace. A report is anticipated in fall 2005. Some of the input into the panel's work will come from the Interdepartmental Working Group on Commercialization, which is chaired by Industry Canada.

In Budget 2004, the Government of Canada committed to strengthening the commercialization of university research through a five-year \$50-million pilot competitive fund. The government also plans to establish a competitive \$25-million fund for commercializing the results of research from federal laboratories. A private sector-led advisory committee was established to assist Industry Canada with the design of these funds. The committee provided Industry Canada with advice on the objectives and principles of the funds, as well as an overall program design. Department officials are now working on the detailed program parameters based on the advice that was provided. The funds, which are expected to start supporting projects in 2005–06, will facilitate the commercialization of new research and the development of innovative products and processes through the following activities:

- extracting value from previous federal investments in R&D;
- building linkages between the private sector and public research institutions; and
- bringing market pull activities to the technology push of public research institutions.

Encouraging the development and adoption of key enabling technologies is an important element of improving commercialization. Nanotechnology is one such field. Industry Canada collaborated on a number of initiatives supporting the commercialization of nanotechnology, including the following:

- partnering with the private sector in the delivery of a private sector workshop in Quebec on the commercialization of nanotechnology to enable industry to better understand opportunities and challenges in this emerging technology;
- delivering a symposium for federal officials and partnering with the Office of the National Science Advisor and other departments in the delivery of a workshop addressing several issues, including the commercialization of nanotechnology, to enable federal departments to better collaborate on issues of mutual concern; and
- meeting with companies and stakeholders engaged in nanotechnology across Canada to increase understanding of challenges in this emerging field and to build networks.

Technology planning is critically important to the future competitiveness of Canadian companies. Industry Canada has developed an expertise in engaging industry and stakeholders in technology roadmapping, a planning process that provides a means to identify, evaluate and select among strategic alternatives for achieving technological objectives. During 2004–05, Technology Roadmaps (TRMs) were completed for Aircraft Cabin

### Evaluation of Technology Roadmaps

Seven TRMs have been evaluated. In 2004–05, an evaluation was completed on the Intelligent Buildings TRM. The evaluation findings noted that intelligent buildings technologies are important to industry. Several new initiatives were launched as a result of the Intelligent Buildings TRM, including:

- the creation of the Intelligent and Integrated Buildings Council;
- publication of the “Best Practices Guide for Evaluation IBT”; and
- modifications in the Master Format for building design in the United States.

[strategis.ic.gc.ca/trm](http://strategis.ic.gc.ca/trm)

Management Systems Integration; Aircraft Design, Manufacturing, Repair and Overhaul; and Low Cost Aerospace Composites Manufacturing, Processing and Repair. All TRMs have active client involvement and permanent steering committees. However, funding for securing technology development continues to be a challenge, particularly for SMEs.

The Biopharmaceutical TRM Steering Committee has been working on a Biopharmaceutical Roadmap, which is expected to be released in 2005. The TRM sets out an overview of the technology and scientific issues in the areas of greatest promise for Canada. It examines commercialization issues unique to Canada as companies undergo transformation in response to the rapid evolution of technology and capital markets. As strategic investments in biopharmaceuticals will be increasingly important determinants for growing the Canadian industry and providing benefits to the Canadian economy, the recommendations that flow from this roadmap are aimed at strengthening early-stage companies in order for them to advance further along the development and value chain.

### Language Industry

In 2004–05, phase two of the Language Industry TRM was completed. This strategy for the language industry's key sub-sectors (translation, language training and technology) was produced with various stakeholders and identified the following:

- key objectives for the development and growth of the industry; and
- market demands and critical technologies to help focus R&D investments toward key products and services that support the growth of the industry and bring new technologies to market that are better adapted to the needs of the industry and its clients.

Industry Canada continued to encourage innovative growth by transferring key enabling technologies developed by the Communications Research Centre Canada (CRC) to Canadian industry. CRC performs R&D on basic communications technologies across Canada, such as radio, satellite, broadcasting and fibre optics. Through various partnerships, CRC bridges the innovation gaps in Canada's telecommunications sector, enabling Canadian industry to develop competitive and innovative products and services. In 2004–05, 11 government departments and 235 private companies, over half of which were Canadian, used CRC's technology and expertise under licence or other formal agreement. Having licence or other agreements with Canadian companies results in the creation of jobs and products for the domestic and export markets. Agreements with international companies result in revenues for the Canadian government and foster international scientific collaboration — including that with emerging markets such as India and Israel.

CRC's Rural and Remote Broadband Access Program also facilitated scientific and engineering research that will be used to enhance the affordability and availability of broadband services in rural and remote communities in Canada. CRC has developed a prototype technology (MILTON) for low-cost, high-speed wireless Internet access that is suitable for rapid deployment in rural communities. CRC has demonstrated that lower-frequency wireless fidelity (WiFi) technologies can result in increased coverage and thus potentially benefit broadband access in rural and remote environments of Canada. Improvements have also been made to Ka-band satellite earth terminal technologies to help bring cost-effective broadband access to remote areas. In addition, CRC is investigating low-cost two-way broadband access technologies based on digital broadcasting for applications over large areas of coverage. These cost-effective technical solutions will facilitate the deployment of broadband access in Canada's rural and remote communities, and will also provide potential export markets for Canadian products in emerging international economies.

**Planned Outcome:** To develop knowledge in fields with good opportunities, including the hydrogen economy, which supports Canada in meeting its climate change goals.

**Priority:** Invest in and promote research, development and the use of strategic enabling technologies, including those related to the hydrogen economy.

The following examples demonstrate how Industry Canada met its priority of **investing in and promoting research, development and the use of strategic enabling technologies, including those related to the hydrogen economy**.

TPC's Hydrogen Early Adopters (h2EA) program, launched in October 2003, works with industry to foster the development and early introduction in the Canadian marketplace of hydrogen and hydrogen-compatible technologies, such as fuel cells and those used to produce, store, distribute and use hydrogen. In 2004–05, TPC's h2EA program contracted four projects for a total investment of \$13.3 million. Canadian companies are working together with other companies, governments and educational institutions to form a working complex of the hydrogen economy. The transition to a clean and efficient hydrogen and hydrogen-compatible economy is setting the stage for further emission-reduction initiatives which, in the end, helps Canada achieve its long-term climate change goals.

The commercialization of fuel cell and hydrogen technologies continues to face significant challenges. Industry Canada began working toward the development of a long-term national hydrogen and fuel cell strategy for Canada, including the development of an initial discussion document to be used to solicit stakeholder input. A comprehensive national strategy will address challenges, identify the public and private resources required to achieve desired results, and implement a timetable and set of milestones that will provide a clear measure of success.

#### TPC's h2EA Program

This program is helping Canadian companies demonstrate new hydrogen technology concepts that will support a hydrogen economy for Canada. The following are three examples.

- Hydrogenics Corporation is in the process of demonstrating fuel cell-powered utility vehicles, refuelling stations, back-up power systems and a hybrid fuel cell-battery delivery vehicle.
- Fuel Cell Technologies is showcasing the use of stationary fuel cells to provide electricity and heating to a 12-unit student residence.
- Prince Edward Island Wind-Hydrogen Village Project is developing wind and hydrogen power solutions.

[tpc.ic.gc.ca](http://tpc.ic.gc.ca)

Industry Canada co-chaired the Hydrogen and Fuel Cell Committee (H2FCC) in cooperation with Natural Resources Canada, and completed a variety of projects funded by the Hydrogen Economy Program. The projects, which aimed at accelerating the development of a hydrogen economy through commercialization, R&D support, and investments in hydrogen infrastructure, included the Canadian Hydrogen and Fuel Cell Sector Profile 2004, a Supply Chain Analysis Report, and the Program Roadmap for Canada's Transition to a Hydrogen Economy.

The H2FCC also completed projects related to enhancing international collaboration and building international presence, developing appropriate codes and standards, coordinating program delivery, and enhancing communications and outreach activities to foster the transition to a hydrogen economy. The work of the H2FCC is leading to better coordination of federal activities and use of scarce government resources ([www.hydrogeneconomy.gc.ca](http://www.hydrogeneconomy.gc.ca)).

Industry Canada facilitated the development of several Climate Change TRMs, with the objectives of building the intellectual foundation for long-term technological advances in support of climate change goals, and accelerating the development in multiple sectors of

cost-effective technologies to mitigate greenhouse gas emissions. Two Climate Change TRMs (CO<sub>2</sub> Capture and Geological Storage, and Clean Coal) are nearing completion. Another two Climate Change TRMs (Canadian Fuel Cell Commercialization, and Bio-based Feedstocks, Fuels and Industrial Products) have been completed and are proving valuable in the following:

- identifying critical technologies and gaps in these climate change technology areas;
- providing recommendations for filling the gaps identified;
- establishing formal and informal stakeholder networks; and
- developing an implementation strategy.

## STRATEGIC OUTCOME: COMPETITIVE INDUSTRY AND SUSTAINABLE COMMUNITIES

Competitive industry and sustainable communities are vital to any country that aims to ensure continuous economic growth and a high quality of life into the future. The competition for investment, skilled workers and customers has never been more intense than it is today.

Estimated financial resources allocated during the 2004–05 fiscal year to achieve competitive industry and sustainable communities: \$565.1 million

Economic growth also depends on international trade and access to foreign markets. More than any other G7 country, Canada relies on international trade for economic growth: almost 50 percent of our gross domestic product (GDP) results from international trade. Promoting domestic investment in the development of infrastructure and value-added industries, particularly in key sectors, creates jobs and strengthens Canadian communities. New trade opportunities evolve from successful investments, and both new investment and reinvestment are crucial for industry to achieve Canada's sustainable development and environmental goals.

In 2004–05, in partnership with government and industry stakeholders, Industry Canada continued its efforts to stimulate and attract new investments that improve Canadians' standard of living. This included identifying actions to improve the investment climate and promoting Canada's advantages, especially in priority sectors. The goal of these efforts is to increase awareness among potential investors of Canada's advantages and to pursue identifiable opportunities.

### Investment Priority Sectors

- Aerospace and defence
- Automotive
- Chemicals/petrochemicals
- Energy and environmental technologies
- Information and communications technologies
- Life sciences (biotechnology, medical devices and pharmaceuticals)

Agriculture and Agri-Food Canada and Natural Resources Canada are key sectoral partners.

[investincanada.gc.ca](http://investincanada.gc.ca)

**Planned Outcome:** To promote the development of value-added industries and encourage growth in priority sectors.

**Priority:** Strengthen partnerships with stakeholders and support trade, investment and retention in priority sectors.

The following examples demonstrate how Industry Canada met its priority of **strengthening partnerships with stakeholders and supporting trade, investment and retention in priority sectors**.

Industry Canada continued to represent industry's sectoral interests and helped to shape Canada's positions in international trade negotiations led by International Trade Canada (ITCan). Over the long term, these negotiations lead to greater access to foreign markets. The Department also provided trade policy advice in the context of Industry Canada's industry programs.

## Supporting Priority Sectors

Industry Canada undertook a number of initiatives in priority sectors. The following are several examples:

### Aerospace and Defence

- Industry Canada initiated the development of a national framework, including plans for an advisory council: the Canadian Aerospace Partnership.

### Automotive

- According to commitments outlined in Budget 2004, Industry Canada began the process of developing a National Automotive Strategic Framework.

### Chemicals/Petrochemicals/Plastics

- Industry Canada, in cooperation with Export Development Canada, ITCan and the Canadian Plastics Industry Association, organized a Canadian presence at six domestic and international plastics trade shows, involving the participation of approximately 30 companies. The objective of these activities was to increase opportunities for Canadian manufacturers of machinery, equipment and moulds to export to the United States, Mexico, China and Europe. On the chemicals front, a cooperative effort led by Industry Canada engaged officials from the provinces of Alberta and Ontario, Alberta's Industrial Heartland, and Foreign Affairs Canada to represent Canada at the National Petrochemical and Refiners Association's annual International Petrochemical Conference. Continuous dialogue is being undertaken to develop an ongoing strategy to increase chemical investment in Canada. Parties to these discussions include provincial government officials and officials from other government departments such as Foreign Affairs Canada and ITCan.

### Energy and Environmental Technologies

- Industry participated on the Alberta Hydrocarbon Upgrading Task Force and presented the advantages of oil sands investment to European oil companies. This helped to raise the level of awareness within multinational chemical and oil companies of the opportunities and advantages of investing in Canada.
- As part of Industry Canada's collaborative efforts with the private sector in advancing environmental technologies and addressing climate change and clean air issues, Industry Canada partly funded, along with Environment Canada and the Alberta government, a study, commissioned by the Petroleum Technology Alliance Canada, to identify and assess the barriers to deployment of environmental technologies in the upstream oil and gas industry.

### Information and Communications Technologies

- Industry Canada coordinated the participation of Canadian companies at key international ICT events, such as the International ICT Expo, CommunicAsia and BroadcastAsia, ITU Telecom Asia, Telecom Israel, and SuperComm India, and supported 30 incoming business development missions. Reports indicate that these events and missions generated significant leads and sales for Canadian ICT companies. For example, client survey results for CommunicAsia and BroadcastAsia in 2004, based on 13 companies (out of 28 companies surveyed), indicated that more than \$2 million worth of sales and 120 leads were generated. Canadian participation at these events also resulted in extensive media coverage and the promotion of Canada's broader ICT capabilities.

### Life Sciences

- Industry Canada coordinated the Canadian delegation, including 46 companies, to BIO 2004, the world's largest biotechnology conference, with 17,000 visitors and 1,400 exhibitors from 60 countries. Canadian presence at BIO 2004 had a strong impact in terms of raising international awareness of Canadian companies and their capabilities, and branding Canada as a prime investment destination and key global player in biotechnology. A visitor survey confirmed that Canadian companies have a very solid reputation in the biotechnology sector.



Other key vehicles used by Industry Canada include its leadership of the Trade Team Canada Sectors for trade promotion and sectoral assessments, and the active promotion of Canadian capabilities abroad through the delivery of the Brand Canada program in partnership with ITCan and other Team Canada Inc members. For example: The Trade Team Canada Oil & Gas

Equipment and Services participated in several trade fairs and missions. These included the Offshore Technology Conference 2004, the Global Petroleum Show 2004, and a mission to Mexico, which provided Canadian companies with opportunities to learn about foreign markets, identify and assess competition, introduce new products and services, identify and appoint foreign agents and distributors, identify sales leads, identify and negotiate strategic alliances, and seek investments. Enhanced knowledge of foreign markets and opportunities, as well as increased exposure and expanded networks, will lead to exports and growth of these domestic firms.

To support Canadian industry, the Government of Canada is consulting with the aerospace and the automotive sectors to prepare national strategic frameworks with a strong emphasis on R&D. For the aerospace sector, Industry Canada initiated the development of a framework to examine policies to improve the growth of the sector over the medium term. This included the formation of and participation in the Canadian Aerospace Partnership. For the automotive sector, the strategic framework will consider the factors important to long-term growth, including a review of measures to support innovation related to the next generation of smart, fuel-efficient and hybrid vehicles, and renewable fuels. The framework will help to balance our interest in growth and economic success of the industries, while working to achieve other objectives and obligations in areas such as infrastructure, innovation, human resources, smart regulations, sustainability, trade and investment. Industry Canada will lead a government-wide consultation process including key stakeholders through the Canadian Automotive Partnership Council. The aerospace and automotive industries are very important to the economy, accounting for 18 percent of Canadian manufacturing GDP.

Industry Canada continued to partner successfully with industry stakeholders through ongoing consultations with the Shipbuilding and Industrial Marine Advisory Committee on the government's 2001 policy framework for the industry. In 2004–05, \$175 million in shipyard sales and approximately 1,600 person-years of employment in Canada will result from projects approved or completed through the Structured Financing Facility program. Industry Canada represented industry interests in international trade negotiations, encouraged the advancement of marine technology applications and processes (via TPC and by raising awareness of lean manufacturing), and promoted Canadian shipbuilders and industrial marine companies through trade promotion at major international trade shows.

Industry Canada continued to support a sustainable development strategy that enables Canadians to achieve a high standard of living, while investing in the well-being of future generations, by implementing part of the third Sustainable Development Strategy (SDS III), 2003–06. This strategy commits the Department to playing a strategic enabling role and promoting innovative sustainable development solutions through the following strategic outcomes: innovation toward sustainable development; corporate and community sustainability; and sustainable development capacity building within Industry Canada (*for more information on SDS III, see page 95*).

### Enhanced Representation Initiative

An Enhanced Representation Initiative mission to naval research laboratories at Stennis Space Center increased Canadian firms' awareness of U.S. Navy requirements and led to partnering discussions with key American companies that are active in the ocean technology and geomatics sectors. Joint ventures will lead to exports and growth for these domestic firms.

**Planned Outcome:** To promote and grow social economy enterprises.

**Priority:** Strengthen the social economy.

The following examples demonstrate how Industry Canada met its priority of **strengthening the social economy**.

In recognition of the social economy sector's growing contribution to Canada's communities, Budget 2004 provided \$17 million over two years for a pilot program to support strategic planning and capacity building of community economic development organizations, and a \$100-million, five-year program to increase lending to social economy enterprises and develop up to four regional "patient capital" funds for social enterprises.

Implementation of these Budget 2004 initiatives commenced with the launch of the National Roundtable on the Social Economy, chaired by Social Development Canada (SDC). Through this round table, SDC, in collaboration with Industry Canada and the regional development agencies, began engaging with key partners to provide guidance in the development and implementation of the pilot programs. Industry Canada and the regional development agencies have completed an assessment of their SME programs to determine the level of access that social economy enterprises have to these programs for social economy purposes. Most programs were found to be accessible, but social economy enterprises may not be fully aware of them. For that reason, efforts are underway to improve communications and address any administrative barriers that may hinder access to these programs. Industry Canada is also cooperating with SDC to develop a project to provide social economy enterprises with access to all government programs, including those for which other federal government departments or agencies are responsible.

**Planned Outcome:** To enable businesses with high growth potential to bring their innovations to market.

**Priority:** Support access to capital and increase understanding of the risk capital marketplace, including debt, leasing and risk capital.

The following examples demonstrate how Industry Canada met its priority of **supporting access to capital and increasing understanding of the risk capital marketplace, including debt, leasing and risk capital**.

Access to capital is fundamental to building the 21st century economy in Canada. Firms at all stages of development may face barriers in accessing financing. In 2004–05, Industry Canada's research and analysis focused on high-growth SMEs and the financing of innovative firms. The results indicate that only a small number of firms are high-growth firms. However, they have a disproportionate impact on employment creation. This research improves knowledge of the

#### The SME Financing Data Initiative

In June 1999, Industry Canada, Statistics Canada and the Department of Finance Canada were asked to partner in the SME Financing Data Initiative to collect data on SME financing issues. The initiative has facilitated more effective decision making on issues related to SME access to financing.

In February 2005, as part of its mandate, Industry Canada tabled its third report on the state of SME financing in Canada before the House of Commons Standing Committee on Industry, Natural Resources, Science and Technology. The report achieved the following:

- It enhanced the government's knowledge and understanding of the current state of SMEs in Canada by providing an in-depth analysis of how financing issues influence the development and growth of SMEs.
- It informed policy makers about the state of SME financing and the ability of SMEs to access financing.
- It was key to informing the review of the Canada Small Business Financing Program.

current situation and the factors that affect the competitiveness and growth of small business, including the financing used to support that growth, and the functioning and structure of the risk capital and debt markets. The results of this research can be found in the most recent publication of the SME Financing Data Initiative ([strategis.gc.ca/fdi](http://strategis.gc.ca/fdi)).

Industry Canada has spent the past few years developing a research agenda to improve its understanding of the risk capital market for SMEs. The Department is now in the process of developing policy recommendations related to improving the risk capital market in Canada. For instance, several options for improving the structure of the risk capital market were developed. The Department also identified options to address the contributions made by informal investors, also known as angels, which support firms capable of commercializing research. These options included the following:

- a coherent framework for the analysis of market gaps or weaknesses in the financial marketplace to support the development of evidence-based policy making; and
- an in-depth analysis and understanding of how access to financing issues influence the development and growth of small firms.

In priority industrial sectors, sector-specific investment strategies were developed to address sector- and company-specific issues that are key for multinational investors making location decisions. For example, country plans and work programs targeted to global multinationals from the United States, Japan, France, Germany and Korea were developed to attract investment in the Canadian aerospace and automotive sectors.

**Planned Outcome:** To ensure that Canada has the highly qualified personnel required to develop and apply new ideas and technologies.

**Priority:** Continue to build a skilled workforce in partnership with Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada (HRSDC).

The following examples demonstrate how Industry Canada met its priority of **continuing to build a skilled workforce in partnership with CIC and HRSDC**.

In partnership with CIC, HRSDC, ITCan and other stakeholders, Industry Canada continued working to fast-track skilled workers who are entering Canada with job offers, attract top international students, and break down barriers to the recognition of foreign credentials and prior work experience. The Department participated in interdepartmental discussions that contributed to achieving Canada's broader economic priorities by helping to better meet employers' demand for skilled workers in all sectors of the economy. The Department's efforts at these discussions led to the following:

- improvements in the processing of applicants who are skilled workers with job offers in Canada;
- advancements in measures to better recognize foreign credentials and work experience; and
- improvements in the attraction of top international students.

In partnership with HRSDC and the Social Sciences and Humanities Research Council of Canada (SSHRC), Industry Canada is participating in the second year of a four-year applied research program on skills. One of the main goals of the research program is to develop a shared view regarding skilled labour policy that supports a more innovative economy. In 2004–05, working papers were published in the Skills Research Initiative's Working Paper Series ([strategis.ic.gc.ca/epic/internet/ineas-aes.nsf/en/h\\_ra01877e.html](http://strategis.ic.gc.ca/epic/internet/ineas-aes.nsf/en/h_ra01877e.html)). Once completed, the research program will inform policy development by providing a better understanding of the following:

- the implications of population aging in terms of the supply of skills in a rapidly changing economy;
- the role of employer-supported training in the supply of skills;
- the implications for Canada's supply of skills as a result of the increased international mobility of highly skilled workers; and
- the obstacles to adjustment in labour markets for skilled workers.

Industry Canada, in collaboration with Statistics Canada, released a research monograph entitled *Economic Growth in Canada and the United States in the Information Age*. The main goal of the monograph was to compare and analyze the sources of economic growth in Canada and the United States over the past two decades. The volume is critically important in evaluating the prospects for future economic growth in Canada by highlighting the benefit of an increasingly educated labour market and the opportunity to enhance growth through investment in information technologies.

Removing barriers to the movement of people, goods and investments within Canada will ensure that Canada has a competitive and open economy. To improve the Agreement on Internal Trade (AIT), the federal government has re-engaged in discussions with the provinces and territories. A key priority of these discussions is to make further progress on the recognition of workers' occupational qualifications across Canada. In 2004–05, Industry Canada continued to participate in numerous federal/provincial/territorial working groups to discuss initiatives contained in a comprehensive internal trade work plan, which included making further progress on labour mobility. A survey of all occupational regulatory bodies was undertaken to determine compliance with the AIT, and an action plan will be prepared to address non-compliance issues.

**Planned Outcome:** To stimulate economic growth in targeted communities and improve their sustainability.

**Priority:** Support economic and sustainable development in communities through targeted business development programs.

The following examples demonstrate how Industry Canada met its priority of **supporting economic and sustainable development in communities through targeted business development programs**.

The Canada Small Business Financing (CSBF) program is designed to benefit small businesses ([strategis.gc.ca/csbfa](http://strategis.gc.ca/csbfa)) by increasing the availability of loans and leases for establishing, expanding, modernizing and improving small businesses; and encouraging financial institutions and leasing companies to make financing available to small businesses across Canada. In this way, it is contributing to the economic growth of communities and to their sustainability. The CSBF program has a legislated comprehensive review every five years. The first review report was completed and tabled in Parliament on April 22, 2005. The report concluded that the program was still relevant to the needs of small business and that there is minimal overlap between it and other federal initiatives to support access to financing by small businesses ([strategis.gc.ca/sbresearch/csbfa](http://strategis.gc.ca/sbresearch/csbfa)).

#### Canada Strategic Infrastructure Fund

Industry Canada contributes to community development by assisting Infrastructure Canada in the delivery of the \$4-billion national Canada Strategic Infrastructure Fund (CSIF) in Ontario. CSIF supports projects of major federal and regional significance in areas that are vital to sustaining economic growth and enhancing Canadians' quality of life.

In 2004–05, Industry Canada's CSIF activities included:

- the signing of a \$25-million contribution agreement by the Government of Canada and the City of Kingston for upgrades to their wastewater pollution control plant; and
- the ongoing management of the \$25-million Thunder Bay Wastewater Treatment Project and the \$25-million Canadian Opera House Project.

The Canada-Ontario Infrastructure Program, the \$680.7-million Ontario component of the national Infrastructure Canada Program, is delivered by Industry Canada on behalf of Infrastructure Canada. The objective of the program is to improve the quality of life of Ontario residents by investing in Ontario's urban and rural municipal infrastructure. In 2004–05, the program announced 59 projects with a federal contribution worth more than \$51 million. The program is currently in the third phase of its life cycle, and Industry Canada has now turned its focus to claim processing, monitoring, program audit and wrap-up.

The Canada-Ontario Municipal Rural Infrastructure Fund, the approximately \$900-million Ontario component of the national Municipal Rural Infrastructure Fund, is another program delivered by Industry Canada in support of community economic development. The program is delivered on behalf of Infrastructure Canada in partnership with the Government of Ontario and the Association of Municipalities of Ontario. Launched in November 2004, the program seeks to ensure that the citizens in Ontario's small urban and rural municipalities enjoy a high quality of life through sustainable infrastructure investments that achieve the following:

- enhance and renew Ontario's aging public infrastructure;
- improve the quality of the environment;
- protect the health and safety of citizens;
- support long-term economic growth; and
- build strong, sustainable communities.

FedNor continued to support a network of 61 Community Futures Development Corporations (CFDCs) in Ontario that provided support to SMEs and social enterprises through strategic community planning and implementation, repayable financing for local businesses, and a variety of business services for SMEs and social enterprises. During 2004–05, more than \$47.7 million was invested through CFDC investment activities in over 1,100 local businesses, which leveraged more than \$90 million from other sources.

Through the Northern Ontario Development Fund, FedNor invested \$22.8 million in 297 projects, leveraging \$39.4 million in additional funds from other sources. FedNor helped 38 Northern Ontario SMEs gain access to business financing worth \$4.6 million, through loan loss reserve agreements with financial institutions.

To ensure Northern Ontario can compete on both a local and a global scale in the knowledge-based economy, FedNor committed more than \$5 million in 2004–05 to telecommunications projects. These contributed to improved connectivity in Northern Ontario's rural communities, through such applications as distance education, telehealth, and e-business and web portals. In addition, to help curb youth out-migration from Northern Ontario, FedNor invested more than \$3.4 million to support over 120 internships through its Youth Internship Program, providing recent graduates with valuable work experience that would lead to permanent employment in Northern Ontario.

Aboriginal Business Canada (ABC) ([abc-eac.ic.gc.ca](http://abc-eac.ic.gc.ca)) continued to promote the creation and expansion of viable businesses in Canada that are owned and controlled by Aboriginal people, contributing to wealth and employment creation, and the economic self-sufficiency of Aboriginal individuals and communities. ABC's investments leveraged considerable additional

#### The Eastern Ontario Development Fund

Launched in 2004, the Eastern Ontario Development Fund — a two-year, \$18-million fund — is a new program in Southern Ontario accessed by Eastern Ontario CFDCs. This program is an initial response to the government's commitment in Budget 2004 to review the role played by CFDCs.

[fednor.ic.gc.ca](http://fednor.ic.gc.ca)

investment in support of Aboriginal businesses across Canada. In 2004–05, \$34.5 million in investments were made through the ABC program, resulting in a total investment, from all sources, of \$94.6 million in the Aboriginal economy. ABC's emphasis on commercial viability when screening applicants has ensured a survival rate of approximately 70 percent (based on the most recent research) for ABC clients.

ABC also provides support to a network of Aboriginal Financial Institutions, which provide loans and business services to Aboriginal SMEs. Loan capital is made available through a number of initiatives, including direct capital injections. Since the creation of the Aboriginal Financial Institutions, up to the end of the 2004–05 fiscal year, more than 25,000 loans totalling more than \$1 billion have been provided to Aboriginal businesses in Canada. In addition to direct capital injections, ABC's \$800,000 investment through the Interest Rate Buy-Down component of the Access to Capital Initiative has leveraged more than \$15 million. Supporting Aboriginal SMEs also sends a message to domestic and foreign investors that Canada places a high value on wealth creation, employment creation and the economic self-sufficiency of these communities.

In partnership with key stakeholders, ABC led efforts to organize the Canada–Aboriginal Peoples Roundtable Economic Opportunities Sectoral Session. The Economic Opportunities round table established the federal government's agenda in the area of Aboriginal economic development, which comprises three main components: establishing a National Aboriginal Economic Development Framework; rationalizing federal programming and Aboriginal institutions; and conducting legislative and regulatory reviews and mitigating barriers to development.

Industry Canada's Franccommunautés virtuelles program continued to support the economic development of francophone and Acadian communities through the use of ICTs. In 2004–05, the Franccommunautés virtuelles program supported 31 projects in 31 francophone communities, providing \$2 million to these communities to develop new web applications and support their economic development. Funding under the Franccommunautés virtuelles program has also assisted these communities by strengthening networking among francophone organizations in Canada.

**Planned Outcome:** To provide Canadians with the means to participate in the creation and sharing of knowledge.

**Priority:** Strengthen participation in the digital economy by positioning individuals, businesses and communities to take advantage of connectedness opportunities.

The following examples demonstrate how Industry Canada met its priority of **strengthening participation in the digital economy by positioning individuals, businesses and communities to take advantage of connectedness opportunities**.

### Supporting Aboriginal Business

In 2004–05, the \$34.5 million in investments through Aboriginal Business Canada achieved the following:

- A total of 318 clients were assisted in establishing or acquiring a business. Support was provided in the following areas: tourism, manufacturing, business, professional, scientific or technical services, as well as to businesses linked to specified major developments.
- Assistance was provided to 304 enterprises to expand their operations — through innovation, or market expansion projects — or to embark on new marketing initiatives.
- A total of 456 firms were assisted with business planning and support projects.
- The program assisted Aboriginal people with institutional development in partnership with other organizations, and strengthened the network of Aboriginal Financial Institutions.

abc-eac.ic.gc.ca

In 2004–05, the Department continued to create opportunities for all Canadian individuals, businesses and communities to acquire the skills, competencies and tools required to fully participate in the digital economy. For example, funding for SchoolNet was secured for an additional two years (2004–06), enabling it to continue to support the participation of Canadians in the digital economy.

To further e-commerce adoption by business, Industry Canada continued its successful Student Connections initiative. Student Connections leverages partnerships with colleges and universities across Canada to deliver practical e-commerce and Internet training to SMEs each year. In 2004–05, Student Connections again exceeded its targets, providing technology training to more than 16,000 clients (with a target of 15,000 clients), and hiring more than 400 post-secondary students (with a target of 300 youths hired). Student Connections also added On-Line Business Research to its E-Commerce First Step suite of training services for SMEs. This module introduces businesses to the strategies, tools and resources that are available to contribute to the efficiency of their business practices.

### Enhancing Canadian Connectedness

SchoolNet assisted in the development of Canadian ICT infrastructure through the following:

- enhancing the connectivity of First Nations schools;
- refurbishing, upgrading and delivering 102,464 computers; and
- supporting the development and initial adoption of an international standard for accessibility to learning materials.

SchoolNet supported Canadian learners' use of the Internet by undertaking the following:

- promoting safe, wise and responsible use through the creation of the Cyberwise.ca website; and
- providing students with access to online learning opportunities and learning resources through the SchoolNet portal.

SchoolNet also supported skills development by providing more than 1,172 youth with information technology learning experience.

[schoolnet.ca](http://schoolnet.ca)

**Planned Outcome:** To allow Canadians in all communities to benefit from the digital economy.

**Priority:** Ensure that Canadians have access to reliable, modern information and communications technology infrastructure.

The following examples demonstrate how Industry Canada met its priority of **ensuring that Canadians have access to reliable, modern information and communications technology infrastructure**.

Although Internet penetration rates in Canada have increased significantly in recent years, a digital divide continues to exist. All Canadian communities are not at the same stage of ICT adoption. This is especially true in many rural and remote regions that lack advanced infrastructure and find it financially and technologically difficult to overcome these challenges without government assistance.

In 2004–05, Industry Canada continued to provide Canadians with access to a reliable digital infrastructure through such programs as the Broadband for Rural and Northern Development Pilot Program, the National Satellite Initiative and CA\*net 4. For example, the Broadband for Rural and Northern Development Pilot Program addressed the broadband connectivity needs of unserved Canadian communities by funding 58 projects in 884 communities, with four of these communities receiving broadband services, and the remainder constructing the necessary infrastructure. The National Satellite Initiative has completed round one — the allocation of 28 MHz of C-band public benefit capacity, valued at \$20 million, to four projects representing 52 communities. A memorandum of understanding has been agreed upon for connectivity between CA\*net 4 and the Yukon and Northwest Territories. CA\*net 4 has also been extended to Nunavut via a satellite connection.

In addition, Industry Canada helped Canadians take advantage of connectedness opportunities through the following activities:

- supporting 3,786 Community Access Program sites;
- providing 102,464 refurbished computers to schools, libraries and not-for-profit learning organizations;
- providing \$6.1 million under the Voluntary Sector Initiative to strengthen the technological capacity of the voluntary sector; and
- supporting projects in 31 francophone communities to develop new web applications.

**Planned Outcome:** To promote Canadian integrated, citizen-centred service delivery across a multi-channelled, multi-service delivery network.

**Priority:** Improve online service to Canadians, in particular businesses and entrepreneurs, by leading the development of the government's service to business transformation agenda.

The following examples demonstrate how Industry Canada met its priority of **improving online service to Canadians, in particular businesses and entrepreneurs, by leading the development of the government's service to business transformation agenda.**

Industry Canada continued to play a significant role in providing government services online. The Department's 17 key services are online, and rank at the highest levels of service transformation maturity as measured by the Government On-Line (GOL) initiative. In fact, online uptake for Industry Canada increased from 51 to 63 percent in 2004, and the Department has been recognized nationally and internationally for the quality of its services and service partnerships.

Having met the GOL target, the Department continued to develop, in collaboration with the Treasury Board of Canada Secretariat (TBS) and partner departments, a service-to-business vision that will set post-GOL directions consistent with the Government of Canada's service transformation agenda — providing integrated, citizen-centred service delivery across a multi-channel, service delivery network. Industry Canada has finalized the vision for service to business for the Government of Canada and it has been endorsed by deputy ministers at the TBS Advisory Committee's Information Management Sub-Committee. The vision recognized that the principles of GOL must continue to prevail. It also recognized that the Internet channel must be considered within a multi-channel strategy.

The service-to-business vision provides the Department with a new direction to better serve our business clients, focusing on improving our interactions with business, reducing the time and effort businesses spend interacting with government, and increasing the efficiency and effectiveness of our service-to-business delivery. It infuses Industry Canada's services with a renewed client-centred approach and engages other departments, governments, associations and stakeholders in a shared vision and plan of action to improve government service to business. BizPaL is an excellent example of how three levels of government can join their efforts to provide better service to common clients.

In 2004–05, the Canada Business Service Centres ([cbsc.org](http://cbsc.org)) and the Government On-Line Business Gateway website ([businessgateway.gc.ca](http://businessgateway.gc.ca)) were consolidated into a single multi-channel information service network called Canada Business ([canadabusiness.gc.ca](http://canadabusiness.gc.ca)). This service will improve efficiency and provide an enhanced, streamlined client experience by unifying content from federal, provincial and territorial governments (*see Section 4, page 101*).



In addition, two of Industry Canada's online products, SourceCAN and ebiz.enable, were enhanced to further meet the needs of Canadian businesses. SourceCAN achieved its goal of acquiring and disseminating an additional 28 feeds from the international financial institutions and the World Bank. The acquisition and dissemination of additional feeds has enabled SourceCAN to improve service to its clients. New features such as five content synopses, an e-business tutorial and a quiz were added to ebiz.enable. Existing content, such as the Online Marketing module, was updated and rewritten for improved readability, and more links from e-business sites and search engine optimization were added. Quick access to call centre help was also added. The improvements made to ebiz.enable help Canadian SMEs to find the e-business information they need in a timely manner, which provides better service and contributes to more efficient and effective business decision making.

Through the Assistive Devices Industry Office (ADIO) and the Web Accessibility Office, the Department continued to support access for senior citizens and persons with disabilities. This was achieved through the Department's support of the Common Look and Feel Initiative, its lead on the Assistive Technologies section of the GOL Disability Cluster, and its support to the Web Accessibility Initiative. In 2004–05, the usage of GOL sites managed by the ADIO increased by 20 percent to an average of 600 hits per day. These efforts have ensured that seniors and Canadians with disabilities have increased access to information on assistive technologies and accessibility.

### Promoting Computer Access for all Canadians

The Web-4-All Program places an assistive technology called Web-4-All in Community Access Program Internet access sites across Canada. Web-4-All makes computers accessible to people with disabilities and literacy challenges, by enabling them to use a smart card to automatically adjust a computer to fit their personal preferences.

From the 2002–03 fiscal year to the end of the 2004–05 fiscal year, the distribution of 1,000 Web-4-All systems was undertaken across Canada. Bell Canada and the Royal Bank of Canada provided more than 26,000 smart cards, and Hitachi Canada provided 1,000 smart card readers. The smart cards were distributed to users at the Community Access Program sites hosting the technology.

[www.web4all.ca](http://www.web4all.ca)

**Planned Outcome:** To help Canadian businesses become more productive and competitive in the knowledge-based economy and thus improve Canadians' standard of living and quality of life.

**Priority:** Continue to help companies achieve their sustainable development objectives through eco-efficiency, and corporate and community sustainability.

The following examples demonstrate how Industry Canada met its priority of **continuing to help companies achieve their sustainable development objectives through eco-efficiency, and corporate and community sustainability**.

Industry Canada continued to help companies achieve their sustainable development objectives by offering information products and tools for implementing corporate responsibility and eco-efficiency practices in businesses and communities. In partnership with other stakeholders, Industry Canada supported The Conference Board of Canada and Imagine Canada in the development of a corporate social responsibility assessment tool that provides companies with information on sustainability reporting, needs assessments and details on creating effective reports. Industry Canada also supported the *National Corporate Social Responsibility Report: Managing Risks, Leveraging Opportunities* by The Conference Board of Canada ([strategis.gc.ca/csr](http://strategis.gc.ca/csr)). Corporate social responsibility enables companies to disclose their approach to the interrelated economic, societal and environmental demands in the marketplace. Many firms believe that corporate social responsibility provides a clear, competitive advantage and stimulates corporate innovation by allowing companies to focus on new opportunities.

The Department also partnered with the business community and others to further its understanding of how corporate sustainable development practices drive value and how it can be factored into investment decision making. In 2004–05, Industry Canada implemented an environmental supply chain pilot project to heighten awareness among SMEs of energy savings measures. The Department also took measures to increase awareness in the Canadian manufacturing sector of sustainable manufacturing theories and practices, which included developing research contracts with business schools to investigate and build expertise on sustainable manufacturing. By optimizing inputs and minimizing waste, firms are able to lower their costs, minimize risk and protect the environment. Increasing awareness among manufacturers about efficient supply chains and lean manufacturing enables firms to become more productive and competitive.

Incorporating lean manufacturing practices into their operations allows businesses to strengthen and support their innovation capacity and performance. In 2004–05, Technology Roadmaps were launched for welding technologies and the forestry sector. Industry Canada also cost-shared a successful Lean Shipbuilding Pilot Project at East Isle Shipyards in Georgetown, Prince Edward Island. By adopting lean practices, the shipbuilder expects to increase output from three to five vessels per year with the same workforce and facilities, thereby becoming significantly more productive and internationally competitive.

The Department has also pursued opportunities to enhance the sustainability of communities, including addressing the broadband connectivity needs of unserved Canadian communities. The Broadband for Rural and Northern Development Pilot Program continued to fund numerous projects in several communities (see page 72). Through the program's bottom-up approach, communities are fully engaged in building long-term sustainable broadband infrastructure networks that will improve their standard of living and quality of life.

#### E-Waste Recycling

The Canadian computer and consumer electronics industries organized Electronics Product Stewardship Canada ([epsc.ca](http://epsc.ca)) to work with provincial governments and other stakeholders to establish e-waste recycling programs across Canada.

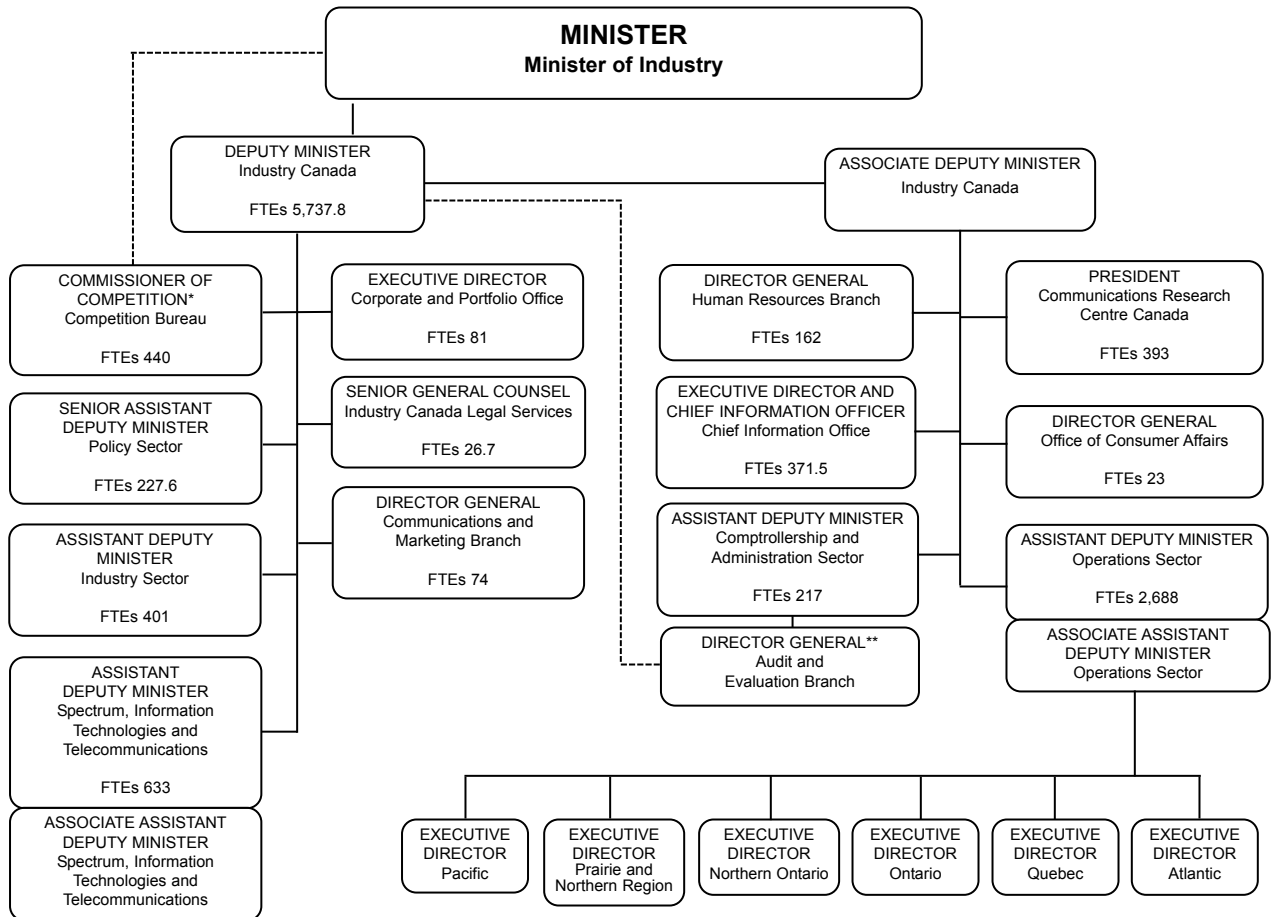
Funds for the Community Access Program (CAP) ([cap.ic.gc.ca](http://cap.ic.gc.ca)) were secured for an additional two years (2004–05 and 2005–06), and the program refocused activities to serve those clients most affected by the digital divide. The program saw improvements in the levels of services provided to clients through partnership with provincial and territorial governments, and private sector and community organizations in many of the 3,786 sites across the country. CAP has become a gateway for access to the Internet and the services and tools it supplies. Through CAP, clients can gain access to technology, training, expertise, information, services and tools across the country and around the world.

Section 3:

Supplementary Information

3.1 Organizational Structure

Industry Canada’s organizational chart depicts the Department’s accountability structure. Included in the chart are the number of full-time equivalents (FTEs) across the organization.



\* Reports to the Deputy Minister for administrative and financial purposes, and reports to Parliament via Minister in respect of independent law enforcement role.

\*\* Reports to the Deputy Minister as chair of the Audit and Evaluation Committee.

In April 2005, TBS introduced the Management, Resources and Results Structure (MRRS) policy. The MRRS, the key component of which is the Program Activity Architecture (PAA), supports the development of a common, government-wide approach to the collection, management, and reporting of financial and non-financial performance information. Industry Canada has developed its PAA, which was used as the basis for reporting in its *Report on Plans and Priorities* (RPP) for 2005–06.

However, this Departmental Performance Report (DPR), for 2004–05, reports on commitments made in previous RPPs when departments were accountable and reported against the Planning, Reporting and Accountability Structure. Therefore, this DPR reports financial information by business line and is consistent with the RPP 2004–05.

## 3.2 Matching Resources to Strategic Outcomes

The figures provided in the following table represent an approximate allocation of the resources devoted to each strategic outcome. Industry Canada has chosen to present the Department's use of resources by branch/sector for each strategic outcome as opposed to using the Planning, Reporting and Accountability structure. This is in line with the new Program Activity Architecture which the Department will continue to use in future years' reports.

<b>Departmental Resource Allocation</b> (millions of dollars)	<b>A Fair, Efficient and Competitive Marketplace</b>	<b>An Innovative Economy</b>	<b>Competitive Industry and Sustainable Communities</b>	<b>Corporate Management and Governance</b>	<b>Sector Total</b>
<b>Actuals 2004–2005*</b>					
Industry Canada Sectors	Total	Total	Total	Total	Total
Policy Sector	6.7	19.9	10.5		37.1
Industry Sector	0.0	73.2	125.7		198.9
Competition Bureau	36.6	0.0	0.0		36.6
SITT Sector	52.0	1.7	107.5		161.3
Operations Sector	47.0	0.0	306.5		353.6
Communications Research Centre Canada	0.0	41.0	0.0		41.0
Technology Partnerships Canada	0.0	323.0	0.0		323.0
Office of Consumer Affairs	5.0	0.0	0.0		5.0
Chief Information Office	0.6	0.0	15.0		15.6
Other**				108.0	108.0
<b>Total</b>	<b>148.0</b>	<b>459.0</b>	<b>565.1</b>	<b>108.0</b>	<b>1,280.0</b>

\* Figures are based on actual total spending for 2004-05 (including Employee Benefits Plan) and are net of Responsible Revenues.

\*\* Includes organizations such as the Chief Information Office, Comptrollership and Administration Sector and Human Resources Branch.

### 3.3 Financial Summary Tables

**Table 1: Comparison of Total Planned Spending to Actual Spending (including Full-Time Equivalents)**

Business Lines	2004–2005					
	2002–2003* Actual	2003–2004* Actual	Main Estimates	Planned Spending	Total Authorities**	Actual
<b>(\$ millions)</b>						
Micro-Economic Policy	52.6	554.2	48.5	54.5	49.0	52.5
Marketplace Rules and Services	148.2	119.2	120.3	128.4	228.0	115.7
Industry Sector Development	977.4	1,119.6	1,195.4	1,406.6	1,244.5	1,092.3
Corporate and Management Services	120.5	119.9	114.4	113.1	134.0	116.1
Subtotal	1,298.7	1,912.8	1,478.6	1,702.6	1,655.5	1,376.6
<b>Total</b>	<b>1,298.7</b>	<b>1,912.8</b>	<b>1,478.6</b>	<b>1,702.6</b>	<b>1,655.5</b>	<b>1,376.6</b>
Less: Non-Respendable Revenue	(562.6)	(254.5)	(390.0)	(390.0)		(599.1)
Plus: Cost of Services Received Without Charge	77.1	79.4	75.0	75.0		77.9
<b>Net Cost of Program</b>	<b>813.2</b>	<b>1,737.7</b>	<b>1,163.6</b>	<b>1,387.6</b>		<b>855.4</b>
<b>Full-Time Equivalents</b>	<b>5,804</b>	<b>5,808</b>	<b>5,963</b>	<b>5,963</b>		

\* Figures are shown using the Planning, Reporting and Accountability Structure for purposes of comparison.

\*\* Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.

**Table 2: Use of Resources by Business Lines**

2004–2005								
Business Lines  (millions of dollars)	Budgetary						Plus: Non- Budgetary	Total
	Operating	Capital	Grants and Contributions	Total: Gross Budgetary Expenditures	Less: Respendable Revenues*	Total: Net Budgetary Expenditures	Loans, Investments and Advances	
<b>Micro-Economic Policy</b>								
Main Estimates	30.1		18.4	48.5		48.5		48.5
<i>Planned Spending</i>	36.1		18.4	54.5		54.5		54.5
Total Authorities	<i>30.6</i>		<i>18.4</i>	49.0		49.0		49.0
<i>Actual Spending</i>	<b>34.5</b>		<b>18.1</b>	<b>52.5</b>		<b>52.5</b>		<b>52.5</b>
<b>Marketplace Rules and Services</b>								
Main Estimates	303.1	0.4	1.8	305.2	184.9	120.3		120.3
<i>Planned Spending</i>	311.1	0.4	1.8	313.3	184.9	128.4		128.4
Total Authorities	<i>410.8</i>	0.3	<i>1.8</i>	412.9	184.9	228.0		228.0
<i>Actual Spending</i>	<b>288.2</b>	<b>1.9</b>	<b>1.7</b>	<b>291.8</b>	<b>176.1</b>	<b>115.7</b>		<b>115.7</b>
<b>Industry Sector Development</b>								
Main Estimates	187.1	8.2	1,008.9**	1,204.2	9.7	1,194.5	0.8	1,195.3
<i>Planned Spending</i>	228.7	8.2	1,178.6**	1,415.5	9.7	1,405.8	0.8	1,406.6
Total Authorities	<i>225.9</i>	4.3	<i>1,021.2**</i>	1,251.4	9.7	1,241.7	2.8	1,244.5
<i>Actual Spending</i>	<b>211.8</b>	<b>2.8</b>	<b>885.7**</b>	<b>1,100.2</b>	<b>7.9</b>	<b>1,092.3</b>	<b>0.0</b>	<b>1,092.3</b>
<b>Corporate and Management Services</b>								
Main Estimates	114.4			114.4		114.4		114.4
<i>Planned Spending</i>	113.1			113.1		113.1		113.1
Total Authorities	<i>133.1</i>	0.9		134.0		134.0		134.0
<i>Actual Spending</i>	<b>115.2</b>	<b>0.9</b>		<b>116.1</b>		<b>116.1</b>		<b>116.1</b>
<b>Total</b>								
Main Estimates	634.7	8.6	1,029.0	1,672.3	194.6	1,477.7	0.8	1,478.6
<i>Planned Spending</i>	689.0	8.6	1,198.7	1,896.3	194.6	1,701.7	0.8	1,702.5
Total Authorities	<i>800.4</i>	5.5	<i>1,041.3</i>	1,847.3	194.6	1,652.7	2.8	1,655.5
<i>Actual spending</i>	<b>649.6</b>	<b>5.5</b>	<b>905.5</b>	<b>1,560.6</b>	<b>184.0</b>	<b>1,376.6</b>	<b>0.0</b>	<b>1,376.6</b>

Note: Numbers in italics denote total authorities for 2004–2005 (Main Estimates and Supplementary Estimates plus other authorities).

Bolded numbers denote actual expenditures/revenues in 2004–2005.

Due to rounding, figures may not add to totals shown.

\* These revenues were formerly called “Revenues Credited to the Vote.”

\*\* Includes Statutory Grants and Contributions.

**Table 3: Voted and Statutory Items**

Vote or Statutory Item	Truncated Vote or Statutory Working (millions of dollars)	2004–2005			
		Main Estimates	Planned Spending*	Total Authorities**	Actual
1	Operating expenditures	394.5	448.8	454.9	436.6
5	Capital expenditures	8.6	8.6	5.6	5.5
10	Grants and contributions	912.9	1,082.6	945.5	809.7
(S)	Minister of Industry salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Insurance payments under the Enterprise Development Program and guarantees under the Industrial and Regional Development Program	10.0	10.0	0.0	0.0
(S)	Canadian Intellectual Property Office Revolving Fund	(16.8)	(16.8)	89.6	(32.2)
(S)	Liabilities under the <i>Small Business Loans Act</i>	16.6	16.6	11.1	11.1
(S)	Liabilities under the <i>Canada Small Business Financing Act</i>	89.5	89.5	77.6	77.6
(S)	Contributions to employee benefit plans	62.4	62.4	60.4	60.4
(S)	Liabilities for statutory loan guarantee payments under the <i>Department of Industry Act</i>	0.0	0.0	7.0	7.0
(S)	Spending of proceeds from the disposal of surplus Crown assets	0.0	0.0	0.5	0.2
(S)	Refunds of amounts credited to revenues in previous years	0.0	0.0	0.5	0.5
L15	Payments pursuant to subsection 14(2) of the <i>Department of Industry Act</i>	0.3	0.3	0.3	0.0
L20	Loans pursuant to paragraph 14(1)(a) of the <i>Department of Industry Act</i>	0.5	0.5	0.5	0.0
L97b	Advances to regional offices and employees posted abroad	0.0	0.0	2.0	0.0
<b>Total Department</b>		<b>1,478.6</b>	<b>1,702.5</b>	<b>1,655.5</b>	<b>1,376.6</b>

\* Total Planned Spending is based on the figures from the 2004–05 *Report on Plans and Priorities*.

\*\* Total authorities are Main Estimates plus Supplementary Estimates plus other authorities as per 2004–05 Public Accounts.

**Table 4: Net Cost of Department**

2004–2005	
(Millions of dollars)	Total
Total Actual Spending	1,376.6
<i>Plus: Services Received Without Charge</i>	
Accommodation provided by Public Works and Government Services Canada	50.6
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds)	22.5
Worker's compensation coverage provided by Social Development Canada	0.5
Salary and associated expenditures of legal services provided by Justice Canada	4.4
<i>Less: Non-Responsible Revenue</i>	(599.1)
<b>2004–2005 Net Cost of Department</b>	<b>855.4</b>

**Table 5: Contingent Liabilities**

(millions of dollars)	Amount of Contingent Liability	
	March 31, 2004	March 31, 2005
<b>Contingent Liabilities</b>		
Loan insurance and guarantees:		
Enterprise Development Program	0.2	0.2
<i>Small Businesses Loans Act</i>	430.2	190.0
<i>Canada Small Business Financing Act</i>	536.6	677.9
Capital Leasing Pilot Project	3.3	6.2
Air Carriers Loan Guarantees (DHC-7 and -8)	243.0	185.4
Supplemental Guarantee Program (DHC-8)	0.5	0.5
Aboriginal Economic Program	10.2	1.9
Subtotal	1,224.0	1,062.1
Claims and Pending and Threatened Litigation	351.7	386.6
<b>Total</b>	<b>1,575.7</b>	<b>1,448.7</b>

**Table 6: Loans, Investments and Advances (Non-Budgetary)**

(millions of dollars)	2004–2005					
	Actual 2002–2003	Actual 2003–2004	Main Estimates	Total Planned Spending	Total Authorities*	Actual
<b>Business Line</b>						
<b>Industry Sector Development</b>						
Payments pursuant to subsection 14(2) of the <i>Department of Industry Act</i>	—	—	0.3	0.3	0.3	—
Loans pursuant to paragraph 14(1)(a) of the <i>Department of Industry Act</i>	—	—	0.5	0.5	0.5	—
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0</b>

\* Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.



**Table 7: Sources of Respendable and Non-Respendable Revenues**

(millions of dollars)		2004–2005					
<b>Respendable Revenues*</b>		<b>Actual</b>	<b>Actual</b>	<b>Main</b>	<b>Planned</b>	<b>Total</b>	<b>Actual</b>
<b>Business Line</b>	<b>2002–2003</b>	<b>2003–2004</b>	<b>Estimates</b>	<b>Revenues</b>	<b>Authorities**</b>		
Micro-Economic Policy	—	—	—	—	—	—	—
Marketplace Rules and Services							
Bankruptcy and Insolvency	27.5	29.9	30.9	30.9	30.9	30.9	30.9
Corporations Regulations	6.4	7.3	7.5	7.5	7.5	7.5	7.5
Canadian Intellectual Property Office Revolving Fund	91.2	103.2	136.0	136.0	136.0	136.0	127.2
Competition Law and Policy	6.3	8.8	10.5	10.5	10.5	10.5	10.5
Subtotal	131.4	149.2	184.9	184.9	184.9	184.9	176.1
Industry Sector Development							
Communications Research	7.2	7.6	9.7	9.7	9.7	9.7	7.9
Subtotal	7.2	7.6	9.7	9.7	9.7	9.7	7.9
Corporate and Management Services	—	—	—	—	—	—	—
<b>Total Respendable Revenues</b>	<b>138.6</b>	<b>156.8</b>	<b>194.6</b>	<b>194.6</b>	<b>194.6</b>	<b>194.6</b>	<b>184.0</b>
<b>Non-Respendable revenues***</b>		<b>Actual</b>	<b>Actual</b>	<b>Main</b>	<b>Planned</b>	<b>Total</b>	<b>Actual</b>
	<b>2002–2003</b>	<b>2003–2004</b>	<b>Estimates</b>	<b>Revenues</b>	<b>Authorities**</b>		
Micro-Economic Policy	—	—	—	—	—	—	—
Marketplace Rules and Services							
Bankruptcy and Insolvency	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Measurement Regulation	2.3	1.8	2.1	2.1	2.1	2.1	1.9
Consumer Labelling and Advertising Regulation	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Spectrum Management****	323.3	107.7	211.5	211.5	211.5	211.5	385.8
Fines	4.1	11.1	0.0	0.0	0.0	0.0	8.5
Other	7.6	8.2	0.0	0.0	0.0	0.0	8.7
Subtotal	338.4	130.0	214.7	214.7	214.7	214.7	406.0
Industry Sector Development							
Communications Research	2.2	1.9	1.5	1.5	1.5	1.5	1.9
Return on Investment	20.1	13.6	13.3	13.3	13.3	13.3	15.2
SBLA/CSBFA Service Fees*****	29.6	18.7	62.8	62.8	62.8	62.8	55.7
Receipts from Repayable Contributions	89.7	81.6	97.7	97.7	97.7	97.7	101.3
Refunds of Previous Years' Expenditures	12.7	7.2	0.0	0.0	0.0	0.0	17.7
Interest on Overdue Accounts Receivable	1.3	1.5	0.0	0.0	0.0	0.0	1.3
Subtotal	155.6	124.5	175.3	175.3	175.3	175.3	193.1
Corporate and Management Services	—	—	—	—	—	—	—
<b>Total Non-Respendable Revenues</b>	<b>494.0</b>	<b>254.5</b>	<b>390.0</b>	<b>390.0</b>	<b>390.0</b>	<b>390.0</b>	<b>599.1</b>

Note: Figures are shown using the Planning, Reporting and Accountability Structure for purposes of comparison.

\* These revenues were formerly called "Revenues Credited to the Vote."

\*\* Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.

\*\*\* These revenues were formerly called "Revenues Credited to the CRF."

\*\*\*\* 2003–2004 figures are impacted by delayed billings due to implementation of changes in the Personal Communications Service/Cellular licencing regime.

\*\*\*\*\* Amounts for 2004–2005 and onwards represent the consolidation of revenues from Industry Canada, Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, and Canada Economic Development for Quebec Regions.

**Table 8: Canadian Intellectual Property Office (CIPO) Revolving Fund****Statement of Operations**

			2004–2005			Actual
	Actual 2002–2003	Actual 2003–2004	Main Estimates	Planned Spending	Total Authorized	
(millions of dollars)						
<b>Responsible Revenue</b>	86.9	95.7	122.3	122.3	122.3	115.6
<b>Expenses</b>						
Operating						
Salaries and employee benefits	54.2	62.4	79.1	79.1	79.1	68.7
Depreciation	12.6	15.0	19.3	19.3	19.3	15.7
Repairs and maintenance	0.9	1.1	1.0	1.0	1.0	1.1
Administrative and support services	14.0	13.7	14.9	14.9	14.9	16.0
Utilities, materials and supplies	7.7	8.0	10.8	10.8	10.8	8.6
Marketing	0.0	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Expenses</b>	89.4	100.2	125.1	125.1	125.1	110.1
<b>Subtotal — Surplus (Deficit)</b>	(2.5)	(4.5)	(2.8)	(2.8)	(2.8)	5.5
Deferred capital assistance	6.4	6.4	6.4	6.4	6.4	6.4
<b>Surplus (Deficit)</b>	3.9	1.9	3.6	3.6	3.6	11.9

**Statement of Cash Flows**

			2004–2005			Actual
	Actual 2002–2003	Actual 2003–2004	Main Estimates	Planned Spending	Total Authorized	
(millions of dollars)						
<b>Surplus (Deficit)</b>	3.9	1.9	3.6	3.6	3.6	11.9
Add Non-Cash Items						
Depreciation/amortization	12.6	15.0	19.3	19.3	19.3	15.7
Deferred capital assistance	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Investing Activities						
Acquisition of depreciable assets	(8.6)	(2.5)	(14.0)	(14.0)	(14.0)	(2.9)
Changes in short- and long-term assets/liabilities	5.3	9.3	14.3	14.3	14.3	13.9
<b>Cash Surplus (Requirement)</b>	6.8	17.3	16.8	16.8	16.8	32.2

**Projected Use of Authority**

			2004–2005			Actual
	Actual 2002–2003	Actual 2003–2004	Main Estimates	Planned Spending	Total Authorized	
(millions of dollars)						
Authority*	5.0	5.0	5.0	5.0	5.0	5.0
Drawdown						
Balance as at April 1	50.7	57.5	74.8	74.8	74.8	74.8
TB Vote 5	0.2	0.6	0.0	0.0	0.0	0.2
Projected surplus (drawdown)	6.6	16.7	16.8	16.8	16.8	32.2
	57.5	74.8	91.6	91.6	91.6	107.2
<b>Projected Balance at March 31**</b>	62.5	79.8	96.6	96.6	96.6	112.2

\* \$5 million is the maximum amount that may be drawn down from the Consolidated Revenue Fund (CRF) at any time.

\*\* The cumulative authority surplus in the actuals for 2003–2004 and 2004–2005 is different from the figures published in the Public Accounts. This difference is due to an overstatement of \$9.6 million of CIPO's authority in the Public Accounts.

**Table 9: Details on Project Spending**

(millions of dollars)	Current Estimated Total Cost	Actual 2002–2003	Actual 2003–2004	2004–2005			
				Main Estimates	Planned Spending	Total Authorities	Actual
<b>Industry Sector Development</b>							
Communications Research Centre Canada — Photonics Facility Project Implementation Phase (Effective Project Approval)							
	7.8	0.3	0.3	7.0	5.7	4.0	0.6
<b>Total</b>	<b>7.8</b>	<b>0.3</b>	<b>0.3</b>	<b>7.0</b>	<b>5.7</b>	<b>4.0</b>	<b>0.6</b>

### 3.4 User Fees

On March 31, 2004, Parliament gave legal effect to the *User Fees Act* with the aim of strengthening the elements of accountability, oversight and transparency in the management of user fee activities. Section 7 of the *User Fees Act* requires that every minister (with fees) cause a report containing specific user fee information to be tabled in Parliament on or before December 31 following the end of each fiscal year. Industry Canada is using the Departmental Performance Report to report on its user fees in Table A: *User Fees Act* for each organization.

In addition, on November 29, 2004, Treasury Board ministers approved the Policy on Service Standards for External Fees. The policy requires departments to report on the establishment of service standards for all external fees charged on a non-contractual basis. The policy requires departmental reporting by the 2005–06 Departmental Performance Report. However, Industry Canada is including information where possible, by organization, in Table B: Policy on Service Standards for External Fees.

## Canada Small Business Financing Program Directorate

**Table A: User Fees Act**

Fee-Setting Authority: <i>Canada Small Business Financing Act (CSBFA), Small Business Loans Act (SBLA)</i>						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard**	Performance Results**
	Forecast Revenue	Actual Revenue	Full Cost*			
CSBFA				Fees were established for the <i>Canada Small Business Financing Act</i> in April 1999, and for the Capital Leasing Pilot Project in April 2002.	Standards will be established and reported in 2005–06, pursuant to TBS policy.	The following baseline results were obtained:  Less than two days to register loans/leases  Average of 20 days to process claims  <b>strategis.gc.ca/csbfa</b>
Registration fees						
Loans component	20,700	20,702				
Capital leasing	400	560				
Fee type: Regulatory						
Administration fees				A 1.25-percent administration fee was established in 1995.	Standards will be established and reported on in 2005–06, pursuant to TBS policy.	The following baseline result was obtained: Average of 20 days to process claims <b>strategis.gc.ca/csbfa</b>
Loans component	31,900	33,167				
Capital leasing	300	347				
Fee type: Regulatory						
SBLA						
Administration fees	3,050	3,125				
Fee type: Regulatory						
Total	56,350	57,901	3,882			

Planning Years					
Forecast Revenue (\$000)			Estimated Full Cost (\$000)		
2005-06	2006-07	2007-08	2005-06	2006-07	2007-08
56,765	57,250	56,990	4,196	4,196	4,196

- \* Represents the full cost of the CSBF program directorate to administer the program. Full cost does not include expenses associated with claim payments made to financial institutions as a result of defaulted loans or leases. These expenses are covered on page 86.
- \*\* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004, the
- performance standard, if provided, may not have received parliamentary review;
  - performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g. international comparison; independent complaint address);
  - performance result, if provided, is not legally subject to *User Fees Act*, section 5.1, regarding fee reductions for failed performance.

**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
CSBFA Registration fees Loans component Capital leasing Administration fees Loans component Capital leasing	Standards will be established and reported on in 2005-06, pursuant to TBS policy.	The following baseline results were obtained: Less than two days to register loans/leases Average of 20 days to process claims <a href="http://strategis.ic.gc.ca/csbfa">strategis.ic.gc.ca/csbfa</a>	Recent discussions and a survey of participating lenders indicate satisfaction with present performance results. Annual meetings with key lenders will continue to include discussions on stakeholder satisfaction with service standards and results.
SBLA Administration fees	Standards will be established and reported on in 2005-06, pursuant to TBS policy.	The following baseline result was obtained: 20 days to process claims <a href="http://strategis.ic.gc.ca/csbfa">strategis.ic.gc.ca/csbfa</a>	Recent discussions and a survey of participating lenders indicate satisfaction with present performance results. Annual meetings with key lenders will continue to include discussions on stakeholder satisfaction with service standards and results.

- \* As established pursuant to the Policy on Service Standards for External Fees:
- service standards may not have received parliamentary review;
  - service standards may not respect all performance standard establishment requirements under the *User Fees Act* (e.g. international comparison; independent complaint address);
  - performance results are not legally subject to the *User Fees Act*, section 5.1, regarding fee reduction for failed performance.

## Canadian Intellectual Property Office (CIPO)

### Table A: User Fees Act

Fee-Setting Authority: Copyright Regulations, Industrial Design Regulations, Patent Rules, Trade-mark Regulations						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
CIPO grants or registers ownership for five types of intellectual property: patents, trade-marks, copyrights, industrial designs and integrated circuit topographies.  Fee type: Regulatory	Patents: 95,663	Patents: 86,609		January 1, 2004	Eighty percent of applications with a request for examination processed in less than 27 months	Eighty-three percent of applications with a request for examination processed in less than 27 months
	Trade-marks: 23,238	Trade-marks: 26,418			Processed within six months of filing date	Processed within 4.5 months of filing date
	Copyrights: 743	Copyrights: 626			Processed within 15 calendar days from receipt of application	Processed within five calendar days from receipt of application
	Industrial designs: 1,872	Industrial designs: 1,282			Processed within 11 months of receipt of application	Processed within 13.9 months from receipt of application
	Information: 808	Information: 647			Over-the-counter copies within one working day Certified copies within two to five working days	Requests are processed within standards 97 percent of the time
<b>Total</b>	122,324	115,582	103,686			
Planning Years						
Forecast Revenue (\$000)			Estimated Full Cost (\$000)			
2005–06	2006–07	2007–08	2005–06	2006–07	2007–08	
119,397	129,348	142,482	119,301	129,238	135,361	

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

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

### Table B: Policy on Service Standards for External Fees

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
CIPO grants or registers ownership for five types of intellectual property: patents, trade-marks, copyrights, industrial designs and integrated circuit topographies.	Patents: Eighty percent of applications with a request for examination processed in less than 27 months  Trade-marks: Processed within six months of filing date  Copyrights: Processed within 15 calendar days from receipt of application  Industrial designs: Processed within 11 months of from receipt of application  Information: Over-the-counter copies within one working day  Certified copies within two to five working days	Patents: Eighty-three percent of applications with a request for examination processed in less than 27 months  Trade-marks: Processed within 4.5 months of filing date  Copyrights: Processed within five calendar days from receipt of application  Industrial designs: Processed within 13.9 months from receipt of application  Information: Requests are processed within standards of 97 percent of the time	Extensive formal consultations were undertaken in 2002 with the broad intellectual property constituency through letters, the Internet and information sessions. There was strong endorsement of the need to increase existing fees to support service delivery improvements and to introduce new services, such as international searches and international preliminary examinations.

\* As established pursuant to the Policy on Service Standards for External Fees:

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

## Communications Research Centre Canada (CRC)

**Table A: User Fees Act**

Fee-Setting Authority: <i>Department of Industry Act</i>						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
Innovation Centre tenants Fee type: Other products and services	2,500 for Innovation Centre tenants and research services	146	177	Professional services fees structure last modified Sept. 30, 2002	SMEs lease space to take advantage of CRC's R&D facilities and to obtain technical assistance on a cost-recoverable basis. Performance standards are the extent to which the clients' needs for expertise and shared R&D facilities are met.	Provided cost-recoverable technical assistance to Innovation Centre tenants in the development of their communications technology products.
Research services (Contracting-in) Fee type: Other products and services	Included above	820	1,123	Professional services fees structure last modified Sept. 30, 2002	Meet clients' requirements and specifications as per individual contract agreements.	Clients' requirements and specifications as per individual contract agreements were met.
Royalties: Right to use CRC intellectual property Fee type: Other products and services	1,500 royalties and licences	458	372	Fees based on individual client agreements. CRC has numerous patented technologies that would vary greatly in value.	The intellectual property meets the technical specifications as described in each licence agreement, including any technical support and training as stipulated in said agreements.	Clients' requirements and specifications as per each licence agreement were met.
Licences: Right to use CRC intellectual property Fee type: Other products and services	Included above	627	508	Same as above, and affected by market conditions for the class of technology.	Same as above	Same as above
Total	4,000	2,051	2,180			
Planning Years						
Forecast Revenue (\$000)			Estimated Full Cost (\$000)			
2005–06	2006–07	2007–08	2005–06	2006–07	2007–08	
Innovation Centre Tenants and Research Services						
2,500	2,500	2,500	3,401	3,401	3,401	
Royalties and Licences						
1,500	1,500	1,500	880	880	880	
Total: 4,000	Total: 4,000	Total: 4,000	Total: 4,281	Total: 4,281	Total: 4,281	

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

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

**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
Innovation Centre tenants	SMEs lease space to take advantage of CRC's R&D facilities and to obtain technical assistance on a cost-recoverable basis. Performance standards are the extent to which the clients' needs for expertise and shared R&D facilities are met.	Provided cost-recoverable technical assistance to Innovation Centre tenants in the development of their communications technology products.	
Research services	Meet clients' requirements and specifications as per individual contract agreements.	Clients' requirements and specifications as per individual contract agreements were met.	
Royalties: Right to use CRC intellectual property	The intellectual property meets the technical specifications as described in each licence agreement, including any technical support and training as stipulated in said agreements.	Clients' requirements and specifications as per each licence agreement were met.	
Licences: Right to use CRC intellectual property			
<b>Other Information:</b>			
The requirements of the Policy on Service Standards for External Fees do not apply to CRC external fees as described above and in Template 10-A: User Fees, as CRC and the paying stakeholders negotiate individual contracts or agreements which include clients' requirements and technical specifications. Reference section 5 of the policy, last paragraph.			

\* As established pursuant to the Policy on Service Standards for External Fees:

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

## Competition Bureau

**Table A: User Fees Act**

Fee-Setting Authority: <i>Department of Industry Act, Competition Bureau Fee and Service Standards Policy, Textile Labelling Act</i>						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
Combined merger notification and advance ruling certificate requests  Fee type: Regulatory	3,050	3,325	14,174	April 1, 2003	Non-Complex: 14 days Complex: 10 weeks Very Complex: Five months	97.7 percent met 89.5 percent met 75.0 percent met
Advance ruling certificate requests  Fee type: Other products and services	9,028	8,850	746			
Written opinions: The Commissioner may provide binding written opinions on proposed business conduct.  Fee type: Other products and services	122	40	371			
CA number: Provide a CA number for fabric tags  Fee type: Other products and services	145	144	351	November 1997	There are no performance standards for this service.	Seventy-six percent of requests are provided instantaneously online
Total	12,345	12,359	15,642			
Planning Years						
Forecast Revenue (\$000)			Estimated Full Cost (\$000)			
2005–06	2006–07	2007–08	2005–06	2006–07	2007–08	
11,200	11,200	11,200	21,333	21,780	22,228	

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

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



**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
Combined merger notification and advance ruling certificate requests	Non-Complex: 14 days Complex: 10 weeks Very Complex: Five months	97.5 percent met 89.5 percent met 75.0 percent met	Between July and December 2002, the Bureau held consultations with key stakeholders to solicit input about the appropriate fees for merger notification and advance ruling certificate requests, the appropriate fees for written opinions and its Fee and Service Standards Policy and Handbook. The revised policy and Handbook came into force on April 1, 2003.
Advance ruling certificate requests			
Written opinions: the Commissioner may provide binding written opinions on proposed business conduct	Performance standards vary and range from two weeks to 10 weeks for different sections of the <i>Competition Act</i> .	61 percent met	
CA number: Provide a CA number for fabric tags	There are no performance standards for this service. The vast majority of requests are completed online; therefore, the CA numbers are provided instantaneously.	Seventy-six percent of requests are provided instantaneously online.	No recent consultations have taken place with respect to CA number requests.

- \* As established pursuant to the Policy on Service Standards for External Fees:
- service standards may not have received parliamentary review;
  - service standards may not respect all performance standard establishment requirements under the *User Fees Act* (e.g. international comparison; independent complaint address);
  - performance results are not legally subject to the *User Fees Act*, section 5.1, regarding fee reduction for failed performance.

## Corporations Canada

**Table A: User Fees Act**

Fee-Setting Authority: <i>Canada Business Corporations Act (CBCA), Canada Corporations Act, Canada Cooperatives Act</i>						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost*			
Corporations Canada has six key product offerings: file articles of incorporation, letters patent, file articles of continuance, file statement of intent to dissolve, file annual return, and name searches.  Fee type: Regulatory	9,200	9,800	11,378	No activity in 2004–05  Most recent consultations were undertaken in 2000–01 when Corporations Canada introduced a reduction in the incorporation fee and annual return fee.	Service standards are available on Corporations Canada’s website ( <a href="http://strategis.ic.gc.ca/epic/internet/incd-dgc.nsf/en/cs01054e.html">strategis.ic.gc.ca/epic/internet/incd-dgc.nsf/en/cs01054e.html</a> )  Standards related to incorporation, amendments and restated articles include the following:  Internet: CBCA incorporation applications received by 1:00 p.m. via E-Commerce should be processed by 5:00 p.m.  In person: Clients who come to headquarters between 8:30 a.m. and 2:30 p.m. will receive one-hour, over-the-counter service.  Batches: Batches of five or more articles are processed within the same day if received before 8:00 a.m.	Internet: 90 percent of CBCA incorporation received via E-Commerce issued within standard  In person: 98.9 percent of requests issued within standard  Batches: 97.6 percent of requests issued within standard

Planning Years					
Forecast Revenue (\$000)			Estimated Full Cost (\$000)		
2005-06	2006-07	2007-08	2005-06	2006-07	2007-08
9,600	9,800	9,800	11,980	11,980	11,980

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

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

**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
Corporations Canada has seven key product offerings: file articles of incorporation, letters patent, file articles of continuance, file statement of revocation of intent to dissolve, file annual return, and name searches.	<p>Service standards are available on Corporations Canada's website (<a href="http://strategis.ic.gc.ca/epic/internet/incd-dgc.nsf/en/cs01054e.html">strategis.ic.gc.ca/epic/internet/incd-dgc.nsf/en/cs01054e.html</a>)</p> <p>Standards related to incorporation, amendments and restated articles include the following:</p> <p>Internet: CBCA incorporation applications received by 1:00 p.m. via E-Commerce should be processed by 5:00 p.m.</p> <p>In person: Clients who come to headquarters between 8:30 a.m. and 2:30 p.m. will receive one-hour, over-the-counter service.</p> <p>Batches: Batches of five or more articles are processed within the same day if received before 8:00 a.m.</p>	<p>Internet: 90 percent of CBCA incorporation received via E-Commerce issued within standard</p> <p>In person: 98.9 percent of requests issued within standard</p> <p>Batches: 97.6 percent of requests issued within standard</p>	Once a year, Corporations Canada organizes information sessions in various cities across Canada. Corporations Canada also has a visit program with key clients in order to get continuous feedback for potential improvements of its products and services.

\* As established pursuant to the Policy on Service Standards for External Fees:

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

## Measurement Canada

### Table A: User Fees Act

Fee-Setting Authority: <i>Weights and Measures Act, Electricity and Gas Inspection Act</i>						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
Device approval and measurement standard certification Fee type: Regulatory	15	30	73	Fees charged under the authority of the <i>Weights and Measures Act</i> were last amended in 1993. These fees were established following extensive stakeholder consultation and publication in the <i>Canada Gazette</i> .	Service standards and associated performance targets may be found on Measurement Canada's website ( <a href="http://strategis.ic.gc.ca/epic/internet/inmc-mc.nsf/en/h_lm02139e.html">strategis.ic.gc.ca/epic/internet/inmc-mc.nsf/en/h_lm02139e.html</a> )	Performance in relation to the achievement of service delivery targets is reported annually. Service improvement targets are set in the Agency's annual business plan. On average, Measurement Canada realized a 2-percent improvement in its service delivery performance.
Device initial inspection Fee type: Regulatory	1,165	1,048	2,602			
Weights and measures accreditation (initial and renewal) Fee type: Regulatory	35	64	158			
Weights and measures registration (initial and renewal) Fee type: Regulatory	10	43	107			
Meter approval and measuring apparatus certification Fee type: Regulatory	230	373	926	Fees charged under the authority of the <i>Electricity and Gas Inspection Act</i> were last amended in 1995. These fees were established following extensive stakeholder consultation and publication in the <i>Canada Gazette</i> .		
Meter inspection Fee type: Regulatory	400	305	757			
Electricity and gas accreditation (initial and renewal) Fee type: Regulatory	45	73	182			
<b>Total</b>	<b>1,900</b>	<b>1,936</b>	<b>4,805</b>			
Planning Years						
Forecast Revenue (\$000)			Estimated Full Cost (\$000)			
2005–06	2006–07	2007–08	2005–06	2006–07	2007–08	
1,900	1,800	1,800	4,716	4,468	4,468	

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

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

**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
Weights and Measures Accreditation Program	Service standards and associated service delivery performance targets may be found on Measurement Canada's website ( <a href="http://strategis.ic.gc.ca/epic/internet/inmc-mc.nsf/en/h_lm02139e.html">strategis.ic.gc.ca/epic/internet/inmc-mc.nsf/en/h_lm02139e.html</a> )	On average, performance targets are attained 95 percent of the time.	Accredited clients were consulted during 2004–05. Clients indicated they were generally satisfied with the delivery of the program. Consultation results will be used to improve service standards and performance targets.
Weights and Measures Registration Program	Service standards are being developed. (Program was introduced in 2004–05.)	Performance in relation to service delivery targets will be provided one year after the introduction of program service standards.	Stakeholders will be consulted during the development of program service standards.

\* As established pursuant to the Policy on Service Standards for External Fees:

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

## Office of the Superintendent of Bankruptcy Canada

**Table A: User Fees Act**

Fee-Setting Authority: <i>Bankruptcy and Insolvency Act</i> and Rules						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
Registration Fee Fee type: Regulatory	10,006	9,400		Regulatory changes 1998	Registration of new estates: two days	99.9 percent of estates registered within standard
Superintendent levy Fee type: Regulatory	20,668	22,500		Regulatory changes 2001	Letters of comments: issuance within 21 business days	90.2 percent of letters issued within standard
Name search fee Fee type: Regulatory	2,400	2,400		Regulatory changes 1998	Name search: faxes answered within 24 hours	99.9 percent of faxes responded to within standard
Trustee licence fee Fee type: Regulatory	950	1,000		Regulatory changes 1998	Licensing fees: no standard  Fee is paid by trustees annually to retain their licences; no new licence is issued, except for new trustees who are issued their first licence — the licence is simply maintained after the first year; the licence is annulled if the fee is not paid.	Licensing fees: no standard  Fee is paid by trustees annually to retain their licences; no new licence is issued, except for new trustees who are issued their first licence — the licence is simply maintained after the first year; the licence is annulled if the fee is not paid.
<b>Total</b>	34,024	35,300	45,890			

Planning Years					
Forecast Revenue (\$000)			Estimated Full Cost (\$000)		
2005-06	2006-07	2007-08	2005-06	2006-07	2007-08
<b>Registration fee</b>			47,411	47,411	47,411
10,000	10,500	11,100			
<b>Superintendent levy</b>					
20,300	20,800	22,700			
<b>Name search fee</b>					
2,400	2,400	2,400			
<b>Trustee licence fee</b>					
950	950	950			

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

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

**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
Registration fee	Registration of new estates: two days	99.9 percent of estates were registered within standard	No changes contemplated at this time.  The Office of the Superintendent of Bankruptcy Canada (OSB) monitors and reports on its service performance on an ongoing basis. The OSB maintains consultation networks with key stakeholders to receive input on a wide range of regulatory issues, including service improvement and fees.
Superintendent levy	Letters of comments: issuance within 21 business days	90.2 percent of letters issued within standard	
Name search fee	Name search: faxes answered within 24 hours	99.9 percent of faxes responded to within standard	
Trustee licence fee	Licensing fees: no standard  Fee is paid by trustees annually to retain their licences; no new licence is issued, except for new trustees who are issued their first licence — the licence is simply maintained after the first year; the licence is annulled if the fee is not paid.	Licensing fees: no standard  Fee is paid by trustees annually to retain their licences; no new licence is issued, except for new trustees who are issued their first licence — the licence is simply maintained after the first year; the licence is annulled if the fee is not paid.	
<b>Other Information:</b>			
The OSB conducts periodic surveys of clients regarding service performance and expectations.			

- \* As established pursuant to the Policy on Service Standards for External Fees:
- service standards may not have received parliamentary review;
  - service standards may not respect all performance standard establishment requirements under the *User Fees Act* (e.g. international comparison; independent complaint address);
  - performance results are not legally subject to the *User Fees Act*, section 5.1, regarding fee reduction for failed performance.

## Spectrum Management

**Table A: User Fees Act**

Fee-Setting Authority: <i>Radiocommunication Act, Department of Industry Act, Financial Administration Act</i>						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
New licence applications: initial issuance of radio authorization (including licence renewals and reactivation fees) Fee type: Regulatory	205,000	205,682	94,234**	Radio licence fees: 2000  Spectrum licence fees: 2001	Standards currently under review (simplification exercise)  Review process began in 2004–05 after RPP input was provided	Standards review is in the preliminary stages
Radio and terminal equipment approval Fee type: Regulatory	3,650	2,288	2,027	1993	Three to five weeks	Six weeks
Total	208,650	207,970	96,261			
Planning Years						
Forecast Revenue (\$000)			Estimated Full Cost (\$000)			
2005–06	2006–07	2007–08	2005–06	2006–07	2007–08	
New licence applications: initial issuance of radio authorization						
205,000	205,000	205,000	92,841	92,841	92,841	
Radio and terminal equipment approval						
2,500	1,000	1,000	1,397	1,264	1,222	
Other Information:						
As the operation of the Certification and Engineering Bureau is completely online, a week-long network interruption due to worm infection of the corporate network contributed directly to a backlog. Hence, the service standard of three to five weeks was not met.						

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

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

\*\* This figure includes all costs associated with the allocation of spectrum, including auctions. While license applications are the only component of the Spectrum Management Program covered under the *User Fees Act*, the allocations through auctions have generated revenues in the amount of \$166.2 million.

**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
New licence applications: initial issuance of radio authorization (including licence renewals and reactivation fees)	Standards currently under review (simplification exercise)  Review process began in 2004–05 after RPP input was provided	Standards review is in the preliminary stages.	Client satisfaction surveys were conducted during the spring of 2005. Results indicate that clients are mostly satisfied or very satisfied with the service levels.
Radio and terminal equipment approval	Three to five weeks  Standards are based on past history and represent the average time to provide the service. As the electronic filing system is online, it is always susceptible to a rash of new worms, viruses and malicious intrusions from time to time, for which there are no protective software patches at the time of intrusion.	Six weeks	Review of the fees is in progress. An official consultation took place on the proposed new fee structure from March 5, 2004, to May 20, 2004, as per <i>Canada Gazette</i> notice No. SMSE-006-04 ( <a href="http://strategis.ic.gc.ca/epic/internet/insmt-gst.nsf/en/sf06291e.html">strategis.ic.gc.ca/epic/internet/insmt-gst.nsf/en/sf06291e.html</a> ).
<b>Other Information:</b>			
As the operation of the Certification and Engineering Bureau is completely online, a week-long network interruption due to worm infection of the corporate network contributed directly to a backlog. Hence, the service standard was not met.			

- \* As established pursuant to the Policy on Service Standards for External Fees:
- service standards may not have received parliamentary review;
  - service standards may not respect all performance standard establishment requirements under the *User Fees Act* (e.g. international comparison; independent complaint address);
  - performance results are not legally subject to the *User Fees Act*, section 5.1, regarding fee reduction for failed performance.

## Access to Information and Privacy (ATIP)

**Table A: User Fees Act**

Fee-Setting Authority: <i>Access to Information Act, Privacy Act</i>						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
Access to Information request fees  Fee type: Other products and services	—	2	1,671	1983	Framework under development by TBS	Statutory deadlines met 86 percent of the time
Planning Years						
Forecast Revenue (\$000)			Estimated Full Cost (\$000)			
2005–06	2006–07	2007–08	2005–06	2006–07	2007–08	
3	3	3	1,582	1,582	1,582	

- \* According to prevailing legal opinion, where the corresponding fee introduction or most recent modification occurred prior to March 31, 2004, the
- performance standard, if provided, may not have received parliamentary review;
  - performance standard, if provided, may not respect all establishment requirements under the *User Fees Act* (e.g. international comparison; independent complaint address);
  - performance result, if provided, is not legally subject to *User Fees Act*, section 5.1, regarding fee reductions for failed performance.

**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i>	Framework under development by TBS  More information available at <a href="http://lois.justice.gc.ca/en/a-1/8.html">lois.justice.gc.ca/en/a-1/8.html</a>	Statutory deadlines met 86 percent of the time	This service standard is established under the <i>Access to Information Act</i> and the Access to Information Regulations. Consultations with stakeholders were undertaken for amendments done in 1986 and 1992.
<b>Other Information:</b>			
<p>The <i>Access to Information Act</i> permits the waiving of fees when deemed to be in the public interest and if under \$25. The fees collected during the reporting period totalled \$2,095. In accordance with government policy, it is the Department's practice to waive fees where the total owing per request amounts to less than \$25. Fees waived during 2004–05 totalled \$1,746.30.</p> <p>There continues to be a significant increase in the number of times fees are waived due to the ongoing use of an electronic disclosure service. In order to reduce costs and increase efficiency, released documents are provided on CD-ROM, which means no reproduction fees are charged to the applicant.</p>			

\* As established pursuant to the Policy on Service Standards for External Fees:

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

## Lobbyists Registration

**Table A: User Fees Act**

Fee-Setting Authority: <i>Department of Industry Act</i> (sections 18, 19 and 20), <i>Lobbyists Registration Act</i> (section 13)						
Fee Type	2004–2005 (\$000)			Date Last Modified	Performance Standard*	Performance Results*
	Forecast Revenue	Actual Revenue	Full Cost			
Lobbyists registration and service fees	2	0.225	0.31	January 31, 1996	The Lobbyists Registration Branch has developed a set of service standards which became effective in 2004. These standards are the same whether fees are paid or not.	More than 99 percent of all lobbyist registrations are completed electronically and free of charge via a web-based registration system.
Fee type: Other products and services					These standards set time objectives for acknowledging and replying to requests, as well as for the validation and acceptance of registrations.	A new web-based registration system was launched on June 20, 2005. Its design takes into account comments received from users. The new system is expected to help in meeting the Branch's service standards.
Planning Years						
Forecast Revenue (\$000)			Estimated Full Cost (\$000)			
2005–06	2006–07	2007–08	2005–06	2006–07	2007–08	
1	0.5	0.3	1.35	0.67	0.4	

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

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



**Table B: Policy on Service Standards for External Fees**

External Fee	Service Standard*	Performance Results*	Stakeholder Consultation
Lobbyists registration and service fees	<p>The Lobbyists Registration Branch has developed a set of service standards which became effective in 2004. These standards are the same whether fees are paid or not.</p> <p>These standards set time objectives for acknowledging and replying to requests, as well as for the validation and acceptance of registrations.</p>	<p>More than 99 percent of all lobbyist registrations are completed electronically and free of charge via a web-based registration system.</p> <p>A new, web-based registration system was launched on June 20, 2005. Its design takes into account comments received from users. The new system is expected to help in meeting the Branch's service standards.</p>	Stakeholder consultations took place in 1995, with industry associations, corporations and lobbying firms. No particular concern was raised regarding the fees themselves.
<p><b>Other Information:</b></p> <p>Although the registration and service fees are paid by a declining proportion of registrants, they still provide an incentive for using the direct online lobbyist registration system.</p>			

- \* As established pursuant to the Policy on Service Standards for External Fees:
- service standards may not have received parliamentary review;
  - service standards may not respect all performance standard establishment requirements under the *User Fees Act* (e.g. international comparison; independent complaint address);
  - performance results are not legally subject to the *User Fees Act*, section 5.1, regarding fee reduction for failed performance.

## 3.5 Major Regulatory Initiatives

The following reforms to major or significant regulations, or introduction of new regulations, were undertaken during the reporting period.

<b>Patent Act and Food and Drugs Act — Regulations on the use of patents for international humanitarian purposes to address public health problems</b>			
<b>Regulations</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
A regulatory framework is being developed to accompany amendments to Bill C-9, <i>An Act to amend the Patent Act and the Food and Drugs Act</i> (the <i>Jean Chrétien Pledge to Africa</i> ), which allows for the export, in accordance with an August 30, 2003, decision of the WTO General Council, of certain pharmaceutical products produced under compulsory licence.	To operationalize changes to the <i>Patent Act</i> as proposed in Bill C-9, the <i>Jean Chrétien Pledge to Africa</i> , the regulations will prescribe the forms and fees relating to the application for and renewal of a compulsory licence. They will also prescribe the information that must be posted on a website by licensees and the timing in terms of the payment of royalties on the licence.	That the regulations and the <i>Jean Chrétien Pledge to Africa</i> be adopted and that the overall regime it creates come into force	The <i>Jean Chrétien Pledge to Africa</i> and accompanying regulations came into force on May 14, 2005.
<b>Amendments to the regulation specifying investigative bodies, pursuant to the <i>Personal Information Protection and Electronic Documents Act</i></b>			
<b>Regulations</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
Amendments to the regulation specifying investigative bodies, pursuant to the <i>Personal Information Protection and Electronic Documents Act</i> (PIPEDA).	The amendment provides for the addition of new investigative bodies to those already specified in the regulation. The regulation allows the specified bodies to use and disclose personal information without an individual's consent for purposes related to the investigation of breaches of agreement or contraventions of the law.	Cabinet approval of the amendments to the regulation specifying investigative bodies	Cabinet approved the amendments to the regulation specifying investigative bodies.
<b>Order exempting certain organizations subject to British Columbia's <i>Personal Information Protection Act</i> from the <i>Personal Information Protection and Electronic Documents Act</i></b>			
<b>Regulations</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
Order exempting certain organizations subject to British Columbia's <i>Personal Information Protection Act</i> (PIPA) from the federal PIPEDA.	Based on a finding that B.C.'s PIPA is substantially similar to the PIPEDA, the order will exempt organizations subject to B.C.'s PIPA from the federal act for all collections, uses and disclosures of personal information in the course of commercial activity, within the province.	Approval of the order by Cabinet	Cabinet approved the order.

<b>Order exempting certain organizations subject to Alberta's <i>Personal Information Protection Act</i> from the <i>Personal Information Protection and Electronic Documents Act</i></b>			
<b>Regulations</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
Order exempting certain organizations subject to Alberta's <i>Personal Information Protection Act</i> (PIPA) from the federal PIPEDA.	Based on a finding that Alberta's PIPA is substantially similar to the PIPEDA, the order will exempt organizations subject to Alberta's PIPA from the federal act for all collections, uses and disclosures of personal information in the course of commercial activity, within the province.	Approval of the order by Cabinet	Cabinet approved the order.
<b>Amendments to the <i>Radiocommunication Act</i> to better combat piracy of direct-to-home satellite television signals</b>			
<b>Regulations</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
Legislative amendments to the <i>Radiocommunication Act</i> (Bill C-2) to better combat piracy of direct-to-home satellite television signals.	The amendments seek to improve Canadian importation control over illegal radiocommunication equipment, increase penalties to act as a more effective deterrent, and strengthen the broadcasting industry's right to civil action by providing the option of seeking statutory damages.	Approval of amendments	While going forward with amendments to the <i>Radiocommunication Act</i> to deal with direct-to-home satellite theft, legislative modifications will also be proposed to improve spectrum access and usage that reflect the new era of smart regulation. The amendments are expected to go to Cabinet in 2005–06.
<b>Regulations for the Administration of Intellectual Property — modernization</b>			
<b>Regulations</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
A series of minor housekeeping amendments to the Canadian Patent Rules and Industrial Design Regulations to simplify administrative requirements.	The amendments will put forward simplified administration approaches. Some amendments to the Patent Rules will ensure that Canada is in step with the practices of our trading partners.	Not available. Initiative is still underway.	Not available. Initiative is still underway.

<b>Review of the foreign investment restrictions in telecommunications</b>			
<b>Regulations</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
<p>The government has acknowledged that there are benefits to removing the foreign investment restrictions for telecommunications common carriers and that there is also a need to deal with restrictions on foreign investment in broadcasting distribution undertakings. The government has undertaken to determine how best to reconcile conflicting recommendations from parliamentary committees on this issue.</p>	<p>Rather than review the foreign investment restrictions as one issue, the Minister requested a broader telecommunications policy review.</p>	<p>Production of a report by the Telecommunications Policy Review Panel</p>	<p>The Government of Canada appointed a panel to review Canada's telecommunications policy and regulatory framework. The panel was asked to make recommendations on how Canada can move to a modern telecommunications framework in a manner that benefits Canadian industry and consumers. The issue of foreign investment restrictions is one of many identified for review by the panel.</p>

## 3.6 Details on Transfer Payments Programs (\$5 million and over)

For a complete listing of grants and contributions, visit the Public Accounts of Canada on the Receiver General's website ([pwgsc.gc.ca/recgen/text/home-e.html](http://pwgsc.gc.ca/recgen/text/home-e.html)).

<b>Business Line: Micro-Economic Policy</b>						
<b>International Telecommunications Union (ITU), Switzerland</b>						
<b>Start Date:</b> 1932–1933		<b>End Date:</b> 2006–2007		<b>Total Funding:</b> \$92,614,002		
<i>(Note: Canada has been a member of the ITU since 1932. Total funding includes payments made as a contribution or a grant since 1988–89.)</i>						
<b>Description of Transfer Payments Program:</b>						
<p>Canada is signatory to the ITU treaty agreement negotiated every four years at a plenipotentiary conference, in accordance with its treaty obligations of the ITU Constitution and Convention. Canada's membership, contribution and standing in the ITU and its involvement in related events allows us to achieve results internationally across a broad range of issues affecting radiocommunication, standardization and telecommunication development. Canada's contribution to the ITU is commensurate with its international standing and commitment to the United Nations and its specialized agencies.</p>						
<b>Objective:</b>						
<p>To secure the rights of Canada in international communications matters affecting radiocommunication, standardization and development, consistent with the Minister of Industry's authority as stipulated in the <i>Radiocommunication Act</i> and the <i>Department of Industry Act</i>.</p>						
<b>Results:</b>						
<p>Led the implementation of the 2002 Plenipotentiary Conference decisions.</p> <p>Led the preparations for and participated in the 2004 World Telecommunication Standardization Assembly, and participated in meetings of the Telecommunication Standardization Advisory Group, as Head of Delegation.</p> <p>Led the preparatory mechanism for the 2007 World Radiocommunication Conference, as Chair of the Canadian Preparatory Committee.</p> <p>Provided leadership and strategic oversight as Chair to the Executive Committee of the CNO/ITU-R (Canadian National Organization for the ITU Radiocommunication Sector), to the Steering Committee of the CNO/ITU-T (Canadian National Organization for the ITU Telecommunication Standardization Sector) and to the CNO/ITU-D (Canadian National Organization for the ITU Telecommunication Development Sector).</p> <p>Provided leadership as Chair of the CNO/CITEL Consultative Committee and acted as Head of Delegation to the annual meetings of the CITEL Steering Committee and the Permanent Executive Committee.</p> <p>Participated in the ordinary and additional sessions of the Council as Canadian Councillor, and appointed as Chair of the Council Group on the Financial Regulations.</p> <p>Participated in various ITU meetings in the capacity of Chair of the Radiocommunication Advisory Group, including the Council Ad Hoc Group on cost recovery of satellite network filings.</p>						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Grants</b>	1,286	6,757	6,808	6,808	6,707	101
<b>Total Contributions</b>	6,028	—	—	—	—	—
<b>Total Transfer Payments Program</b>	7,314	6,757	6,808	6,808	6,707	101

<b>Comments on Variance:</b>						
The variance in spending is due to the fluctuation in the exchange rate between Swiss francs and Canadian dollars.						
<b>The Medical and Related Sciences (MaRS) Discovery District</b>					<b>marsdd.com</b>	
<b>Start Date:</b> January 2004		<b>End Date:</b> March 2005		<b>Total Funding:</b> \$20,000,000		
<b>Description of Transfer Payments Program:</b>						
MaRS is a not-for-profit corporation founded by leaders from Canada's academic, business and scientific communities. MaRS is dedicated to accelerating the rate of successful commercialization of new discoveries in Canada.						
<b>Objectives:</b>						
<ul style="list-style-type: none"> <li>• To facilitate commercialization of the results of Canadian medical and related scientific research by bringing together the best in the science and business communities.</li> <li>• To support nascent biotechnology companies that spin off from medical research institutions by providing them with the physical infrastructure, as well as the business and financial services, they need to be successful.</li> </ul>						
Federal funding for MaRS was complete as of March 2005.						
<b>Results:</b>						
MaRS Centre opened May 2005.						
As of March 31, 2005, more than 73 percent of the office and laboratory space had been leased or was in an advanced stage of lease negotiation.						
<b>Grants and/or Contributions</b>	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>			
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>	<b>Variance Between Planned and Actual</b>
<b>Total Grants</b>	0	10,000	10,000	10,000	10,000	0

<b>Business Line: Industry Sector Development</b>						
<b>Aboriginal Business Canada Programs (ABC)</b>				<b>abc-eac.ic.gc.ca</b>		
<b>Start Date:</b> July 1989		<b>End Date:</b> Ongoing		<b>Total Funding:</b> \$624,000,000		
<b>Description of Transfer Payments Program:</b>						
<p>Aboriginal Business Canada (ABC) provides financial assistance, information, resource materials and referrals to other possible sources of financing or business support. ABC provides repayable and non-repayable contributions. Most contributions, because of their size, are non-repayable. A contribution is a conditional payment. Money has to be accounted for and it is subject to audit.</p> <p>Clients must be individuals of Canadian Indian (on or off-reserve), Métis or Inuit heritage, or majority-owned Aboriginal organizations or development corporations. ABC also works in partnership with Aboriginal financial and business organizations, and with a range of other agencies, boards and departments, on initiatives that are helping to strengthen business skills and promote greater awareness of Aboriginal business achievement. In this way, ABC is working toward the shared goal of an inclusive and prosperous economy for all Canadians.</p>						
<b>Objective:</b>						
To maximize Aboriginal peoples' participation in the economy by supporting the creation and expansion of viable businesses in Canada that are owned and controlled by Aboriginal individuals.						
<b>Results:</b>						
<p>In 2004–05, the program helped 318 clients to establish or acquire a business through contributions totalling \$12.3 million. Support was provided in the following areas: tourism, manufacturing, business, professional, scientific or technical services, as well as to businesses linked to specified major developments. ABC helped 304 enterprises to expand their operation (this involves innovation, or market expansion projects) or to embark on new marketing initiatives with another \$6.8 million. Business planning and support projects assisted 456 firms, with \$2.7 million in contributions.</p> <p>The \$34.5 million in investments made through the work of the ABC program in the year just ended resulted in a total investment, from all sources, of \$94.6 million in the Aboriginal economy.</p> <p>The survival rates of the businesses that were supported, in relation to investments made in 2004–05, are not currently measurable. However, recent research of investments made between April 1, 2001, and March 31, 2002, shows that the overall survival rate of the ABC clients supported continues to be approximately 70 percent. ABC's emphasis on commercial viability when screening applicants, as well as additional business support provided by the program, enhanced the survival rates of the businesses supported.</p> <p>ABC also provides support to a network of Aboriginal Financial Institutions (AFIs), which provide loans and business services to Aboriginal SMEs. Loan capital is made available through a number of initiatives, including direct capital injections. Since the creation of the AFIs, up to the end of the 2004–05 fiscal year, more than 25,000 loans totalling more than \$1 billion had been provided to Aboriginal businesses in Canada. In addition to direct capital injections, ABC's \$800,000 investment through the Interest Rate Buy-Down component has leveraged more than \$15 million in credit lines which are used for developmental lending.</p> <p>ABC continues to provide support to 15 external delivery organizations, which are Aboriginal business and financial development institutions, to assist in capacity development. Support for these organizations continues to result in increased capacity with these organizations and to extend the program delivery reach into more remote areas of Canada, resulting in improved program availability.</p>						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	34,526	39,481	38,250	38,412	38,055	195
<b>Comments on Variance:</b>						
The variance of \$195,000 is attributed to payments at year-end that were not made as a result of claims not being submitted.						
<b>Significant Evaluation Findings:</b>						
Summative and formative evaluations of the Aboriginal Business Development Program were completed in 2002. The next evaluations are planned for 2007.						

<b>Broadband for Rural and Northern Development Pilot Program</b>			<b>broadband.gc.ca</b>			
<b>Start Date:</b> 2002–03		<b>End Date:</b> 2006–07		<b>Total Funding:</b> \$90,000,000		
<b>Description of Transfer Payments Program:</b>						
The Broadband for Rural and Northern Development Pilot Program uses a competitive process to bring broadband, or high capacity, Internet to unserved rural, remote and Aboriginal communities.						
<b>Objectives:</b>						
<ul style="list-style-type: none"> <li>To contribute to the Government of Canada's goal of ensuring that all Canadian communities have access to affordable broadband services.</li> <li>To assist communities in developing and implementing business plans for broadband connectivity, thereby providing an incentive for private sector deployment.</li> <li>To increase the number of communities with broadband access.</li> </ul>						
<b>Results:</b>						
As of March 31, 2005:						
<ul style="list-style-type: none"> <li>58 projects, representing 884 communities, have been selected for funding;</li> <li>45 of these have signed their contribution agreements and are building their infrastructure;</li> <li>one project representing four communities has been successfully launched.</li> </ul>						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	1,041	5,010	76,500	20,969	20,969	55,531
<b>Comments on Variance:</b>						
The variance between planned and actual is due to the re-distribution of planned resources to the 2005–06 and 2006–07 fiscal years to accommodate the extensive development timeline for Broadband projects.						
<b>Significant Evaluation Findings:</b>						
A summative program evaluation is expected at the end of the 2006–07 fiscal year.						
<b>Canada-Ontario Infrastructure Program</b>			<b>ic.gc.ca/coip-pico</b>			
<b>Start Date:</b> October 25, 2000		<b>End Date:</b> March 31, 2007		<b>Total Funding:</b> \$680,723,000		
<b>Description of Transfer Payments Program:</b>						
The Canada-Ontario Infrastructure Program (COIP) uses a competitive process to provide funding assistance to municipalities for the construction, renewal, expansion or material enhancement of infrastructure which will contribute to improving the quality of life for Ontarians and to building the foundation for sustained, long-term economic growth in the 21st century.						
<b>Objective:</b>						
To improve the quality of life by investing in municipal infrastructure, with the following goals:						
<ul style="list-style-type: none"> <li>enhancing the quality of the environment;</li> <li>supporting long-term economic growth;</li> <li>improving community infrastructure; and</li> <li>building 21st century infrastructure through innovative partnerships, new approaches and best practices.</li> </ul>						
<b>Results:</b>						
For 2004–05, COIP announced 59 projects, with a federal contribution worth more than \$51 million. Additionally, there were 23 on-site announcements, 63 milestone ceremonies, 29 outdoor project signs approved and 16 permanent plaques approved. COIP staff completed 75 site visits for project progress and environmental assessment monitoring.						



Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	127,514	134,548	208,916	208,916	150,243	58,673
<b>Comments on Variance:</b>						
Circumstances such as setbacks in construction timetables have caused delays in the receipt of project claims from municipalities and in the flow of funds to pay for those claims. Funds will flow in subsequent fiscal years.						
<b>Canadian Apparel and Textiles Industries Program (CATIP)</b>						
<b>Start Date:</b> January 1, 2003		<b>End Date:</b> March 31, 2007		<b>Total Funding:</b> \$13,099,925		
<b>Description of Transfer Payments Program:</b>						
The program works in partnership with apparel and textile companies to help them become more innovative and competitive.						
<b>Objective:</b>						
To encourage Canadian enterprises to identify and undertake innovative projects, diversify their products and develop niche markets, and adopt best practices in technology.						
<b>Results:</b>						
The CATIP firm component has resulted in 311 project approvals from throughout Canada [157 of these are from Quebec, through a separate transfer of funds to Canada Economic Development for Quebec Regions (CED)].* The national initiatives component has resulted in the approval of an additional 60 projects as of March 31, 2005. The new textile efficiency component (CANTex) has thus far resulted in approval of 60 initiatives (14 of these are from Quebec, through a separate transfer of funds to CED). All approved projects have been consistent with the original program objectives.						
All projects approved under the firm component have been completed, with some final claims and final reports still being received. Once all are received, a further report will be prepared as to the degree of success of each project. In addition to the 157 projects from Quebec, there were also 102 approvals from Ontario, nine from Atlantic Canada, and 43 from Western Canada. Of the 311 projects, 104 pertained to market competitiveness, 159 were related to innovative best practices, and 48 were e-commerce initiatives.						
The 62 national initiative projects were approved to assist non-private sector applicants, such as industry associations, to develop initiatives on a national scale which supported issues such as global marketing, product branding and e-commerce. Of the 62 approved projects, 21 are related to branding and marketing, 28 pertain to sector and market analysis, three initiatives are related to innovative best practices and 10 to e-commerce development.						
The new textile production efficiency component (CANTex) had 60 approved projects related to production efficiency. However, as of March 31, 2005, only a few of these projects were completed, as all are recent approvals. The demand from the private sector for this initiative continues to be high.						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	0	4,634	6,681	9,431*	8,466	1,785
* Does not include CED funding of \$750,000.						
<b>Comments on Variance:</b>						
The variance between actual and planned spending in 2004–05 is the result of the fact that the Textile Production Efficiency Component (CANTex) was approved on October 12, 2004, which added \$2.75 million in funding. However, the late approval date resulted in a very narrow time frame to flow the program funds out prior to year-end, given the time required to develop promotional materials, conduct promotional activities, and receive, assess and approve proposals.						
<b>Significant Evaluation Findings:</b>						
A formative evaluation is planned for CATIP for the 2005–06 fiscal year.						

<b>CANARIE — Phase 3: Advanced Applications Development Program (AADP)</b>						
<b>Start Date:</b> 1999–2000		<b>End Date:</b> March 31, 2005*		<b>Total Funding:</b> \$78,000,000		
* The CANARIE Advanced Applications Development Program (AADP) was extended to March 31, 2005, to allow for the wind-up of the Phase 3 program and sub-projects and the preparation of the related reporting and accountability documentation in accordance with the requirements of the agreement. However, no monies were expended after March 31, 2004.						
<b>Description of Transfer Payments Program:</b>						
In 1999, the Government of Canada provided \$78 million for the CANARIE Phase 3 AADP. The five-year program terminated on March 31, 2004.						
<b>Objectives:</b>						
<ul style="list-style-type: none"> <li>• To enhance the productivity and competitiveness of Canadian industry, especially innovative Canadian ICT companies, with an emphasis on priority sectors such as e-business, e-learning, e-health and intelligent systems.</li> <li>• To catalyze the development and diffusion of technologies, advanced applications and services that underpin or use advanced Internet infrastructure, such as CA*net, and that are based on open-system standards.</li> </ul>						
<b>Results:</b>						
CANARIE Phase 3 AADP supported more than 80 application development projects. In addition, the program promoted and facilitated collaboration among organizations and individuals, the development of communities of interest, and the involvement of SMEs.						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	22,621	33,717	—	—	—	—
<b>Significant Evaluation Findings:</b>						
The findings of the evaluation were positive, concluding that the objectives of the program continued to be relevant, particularly given the goal of improving Canada's international position of R&D performance. Although it is too early to fully demonstrate the benefits of the applications supported, as many were at a pre-competitive stage, the program was successful in promoting and facilitating collaboration among organizations and individuals and in developing communities of interests.						
<b>Community Access Program</b>						<b>cap.ic.gc.ca</b>
<b>Start Date:</b> 1995–96		<b>End Date:</b> March 31, 2006		<b>Total Funding:</b> \$337,200,000		
<b>Description of Transfer Payments Program:</b>						
Starting in the 1995–96 fiscal year, the Community Access Program (CAP) was established under the Government's Connecting Canadians initiative to provide affordable access to the Internet and the services and tools it provides. The program's goal was to have all Canadians and communities participate fully in the knowledge-based economy. CAP sites are located in schools, libraries, community centres and friendship centres, and operate through partnerships with provincial/territorial governments and non-profit organizations.						
<b>Objective:</b>						
To establish affordable Internet access sites across the country for all Canadians.						
<b>Results:</b>						
CAP plays a key role in the adoption of ICTs and development of ICT skills. At the peak of the program, 8,800 CAP sites operated across the country. The program was refocused in 2004–05 to more fully address clients affected by the digital divide. Sites offer a gateway for the delivery of technology, information, expertise, training and recruitment, and link communities to the rest of Canada and to the global society.						

Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	18,370	39,169	3,650	32,988***	32,849	29,199
<b>Youth Employment Strategy (YES)* Component of Total Contributions**</b>	—	4,669	—	12,138	12,008	12,008
<b>Net Program Contributions</b>	18,370	34,500	3,650	20,850	20,841	17,191

\* For further information on YES, please refer to page 77.

\*\* Figures are representative.

\*\*\* Includes \$3,350 in funding for the Information Management/Information Technology (IM/IT) component of the Voluntary Sector Initiative (VSI).

**Comments on Variance:**

Subsequent to the tabling of the Public Accounts, where only the planned spending for IM/IT–VSI was reported, CAP's program authorities and resources were extended in the fall of the 2004–05 fiscal year.

**Significant Evaluation Findings:**

N/A

**FedNor — Northern Ontario Development Fund (NODF)**

[fednor.ic.gc.ca/epic/internet/infednor-fednor.nsf/intro](http://fednor.ic.gc.ca/epic/internet/infednor-fednor.nsf/intro)

**Start Date:** 1996

**End Date:** Ongoing

**Total Funding:** \$265,000,000

**Description of Transfer Payments Program:**

The program contributes to community economic development in Northern Ontario.

**Objective:**

To promote community economic development and diversification, as well as job creation in Northern Ontario, in an effort to build self-reliant communities and strengthen the regional economy.

**Results:**

**Access to Capital for Small Business**

Through its Loan Loss Reserve Agreements with financial institutions, FedNor stimulated investment in higher-risk enterprises by helping 38 SMEs gain access to financial support worth \$4.6 million.

**Access to Information for Small Business**

FedNor helped connect Northern Ontario communities to the world by investing more than \$5 million in 49 telecommunications and ICT projects in 2004–05, leading to increased opportunities for local business, and facilitating community economic development and access to services.

**Access to Markets for Small Business**

FedNor's International Business Centre (IBC) helped Northern Ontario compete in the global economy by supporting 52 trade workshops and seminars, attended by more than 400 participants. The IBC also provided one-on-one counselling to 50 SMEs, and supported two community-based trade missions.

**Promotion of Sustainable, Self-Reliant Communities**

- FedNor strengthened the capacity of Northern communities to undertake effective community economic development by providing more than \$15.5 million to support 600 community-based planning projects related to the implementation of strategic plans, economic infrastructure and special assistance for economic adjustment. This support will contribute to long-term benefits, including job creation, economic diversification and enhanced business opportunities.
- FedNor invested more than \$3.4 million to support over 120 internships, through its Youth Internship Program, providing recent graduates with valuable work experience that would lead to permanent employment in Northern Ontario.
- FedNor invested \$4.5 million in 71 tourism-related projects, and hosted a Northern Ontario eco-tourism conference which attracted visitors to Northern Ontario and generated new wealth for the region.

Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	47,319	41,327	36,700	37,655	37,655	955
<b>Comments on Variance:</b>						
Variance is due to additional funds that were reallocated from other Industry Canada programs, and offset by the federal government's \$1 billion reallocation exercise, to which FedNor contributed \$2 million.						
<b>Significant Evaluation Findings:</b>						
Evaluation of the Innovation and Knowledge-Based Economy Initiative in Ontario						
<ul style="list-style-type: none"> <li>The program's approach is relevant and appropriate for clients in both Northern and Southern Ontario.</li> <li>The program was highly successful, resulting in increased awareness of innovation and opportunities in the knowledge-based economy; improved strategic planning; improved access to capital; enhanced business development services; the development of new skills and partnerships; and additional leveraged funds.</li> <li>Unique delivery challenges were identified with respect to maximum funding levels of the Community Futures Program, which was the delivery mechanism in Southern Ontario.</li> </ul>						
<b>Follow-Up to the Audit of FedNor</b>						
FedNor has responded to all recommendations noted in the follow-up to the 2001 FedNor audit. Areas addressed include the following: assessment tools and procedures related to environmental assessments, in-kind contributions, communication approaches related to project approvals, press releases for approved projects, letters of offer, and administration of equity funds.						
<b>FedNor — Community Futures Program (Ontario)</b>						
<a href="http://fednor.ic.gc.ca/epic/internet/infednor-fednor.nsf/intro">fednor.ic.gc.ca/epic/internet/infednor-fednor.nsf/intro</a>						
<b>Start Date:</b> 1986		<b>End Date:</b> Ongoing		<b>Total Funding:</b> \$155,000,000		
(This is the total since the 1996–97 fiscal year. The program was transferred from the former Human Resources Development Canada in 1995.)						
<b>Description of Transfer Payments Program:</b>						
The program contributes to community economic development in rural Ontario.						
<b>Objective:</b>						
To support community economic development by assisting communities to develop and diversify their economies through access to capital, business services and strategic community planning.						
<b>Results:</b>						
<ul style="list-style-type: none"> <li>Ontario Community Futures Development Corporations' (CFDCs) investment of \$47.7 million in more than 1,100 local businesses leveraged over \$90 million from other sources.</li> <li>Community Futures financial assistance and counselling helped 858 business start-ups and 289 business expansions, and maintained 657 businesses.</li> <li>The CFDCs provided a variety of business services, including more than 7,000 counselling interviews to Ontario SMEs.</li> <li>Budget 2005 provided the Community Futures program with an additional \$14.2 million, beginning in 2005–06, to ensure effective support for community economic development and small business growth.</li> </ul>						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	20,491	25,123	20,160	24,262	24,262	4,102

<b>Comments on Variance:</b>						
Variance is due to additional funds that were reallocated from other Industry Canada programs.						
<b>Significant Evaluation Findings:</b>						
<b>Audit of Community Futures Program</b> ( <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/c070503389b5560985256f85005b60b1!OpenDocument">www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/c070503389b5560985256f85005b60b1!OpenDocument</a> )						
<ul style="list-style-type: none"> <li>• FedNor management and staff have been successful in delivering the Community Futures program within the terms and conditions of the program.</li> <li>• Program staff are dedicated and want to provide the most effective and efficient service to their clients.</li> <li>• The program has a clearly defined management control framework that has assisted FedNor and Industry Canada to deliver the program in a cost-effective manner.</li> <li>• The program complies with appropriate acts, regulations and policies, and has established key controls that define the roles and responsibilities of all parties involved in the program.</li> </ul>						
<b>FedNor — Eastern Ontario Development Fund</b>						
<a href="http://fednor.ic.gc.ca/epic/internet/infednor-fednor.nsf/intro">fednor.ic.gc.ca/epic/internet/infednor-fednor.nsf/intro</a>						
<b>Start Date:</b> 2004		<b>End Date:</b> March 31, 2006			<b>Total Funding:</b> \$9,600,000	
<b>Description of Transfer Payments Program:</b>						
The program contributes to community economic development in Eastern Ontario.						
<b>Objective:</b>						
To promote community economic development in rural Eastern Ontario by building local capacity for development and creating the necessary conditions for increased business and employment opportunities.						
<b>Results:</b>						
<ul style="list-style-type: none"> <li>• FedNor invested \$5.6 million in Eastern Ontario Development Fund activities through contribution agreements with the 15 CFDCs in Eastern Ontario.</li> <li>• In a five-month period ending March 31, 2005, \$9.3 million was committed to 96 projects, leveraging a further \$3 million from other sources. This includes \$2 million that was committed to 15 capitalization projects to improve access to capital for new and existing businesses in Eastern Ontario.</li> </ul>						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	0	0	9,600	5,600	5,600	4,000
<b>Comments on Variance:</b>						
Supplementary Estimates A approved \$9.6 million in funding for the Eastern Ontario Development Fund. However, this funding was only received in November of 2004. This provided FedNor with little time to distribute all of the funding received. Through the Annual Reference Level Update process, the variance between planned and actual spending was reprofiled to 2005–06.						

<b>Information Highway Applications Branch — Youth Employment Strategy (IHAB—YES) youth.gc.ca</b>						
<b>Start Date:</b> 1996–97		<b>End Date:</b> 2005–06		<b>Total Funding:</b> \$41,052,266		
<b>Description of Transfer Payments Program:</b>						
<p>The Youth Employment Strategy helps young Canadians develop the knowledge and skills they need for the future through career-related work experiences, thus enabling them to participate more fully in the rapidly changing labour market. Industry Canada is among a number of federal departments and agencies, led by HRSDC, working cooperatively with other levels of government, universities and colleges, the private sector and not-for-profit organizations pursuing this initiative. Under this strategy, Industry Canada continues to deliver YES programs that reflect current government priorities, including those outlined in Canada's Innovation Strategy.</p>						
<b>Objective:</b>						
To provide work internships to youth between the ages of 15 and 30 with ICT skills that give them an edge in the knowledge-based economy in Canada and abroad.						
<b>Results:</b>						
<ul style="list-style-type: none"> <li>• A total of 140 First Nations youth participated in innovative ICT-related projects promoting computer applications such as web design, multimedia, incorporation and database development, content development, training, technical support, ICT mentoring and facilitation, and other related tasks. The youth were then provided with actual work experience within their First Nations communities to enable them to implement the skills that they had learned during their training.</li> <li>• A total of 320 youth interns were hired under the Technical Work Experience Program to refurbish computers and assist and advise schools and not-for-profit organizations.</li> <li>• A total of 32 post-secondary graduates under the career focus stream gained career-related work experience by developing training modules for the use of special software and a communication site to facilitate communication exchange and online training, teaching ICT skills to community members at employment learning centres, and supporting clients in their search for employment.</li> </ul>						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>CAP Component of YES Contributions</b>	—	4,669	—	7,998	7,941	7,941
<b>SchoolNet Component of YES Contributions</b>	14,834	12,664	—	5,107	5,034	5,034
<b>Total Contributions</b>	14,834	17,333	—	13,105	12,975	(12,975)
Note: Figures are representative						
<b>Comments on Variance:</b>						
Subsequent to the tabling of the Public Accounts and the reported nil planned spending, the program's authorities and resources were extended in the fall of the 2004–05 fiscal year.						
<b>SchoolNet</b>						<b>schoolnet.ca</b>
<b>Start Date:</b> 1995		<b>End Date:</b> 2005–2006		<b>Total Funding:</b> \$243,000,000		
<b>Description of Transfer Payments Program:</b>						
<p>Industry Canada's SchoolNet works in collaboration with governments, non-profit organizations and the private sector to position Canada at the global forefront of e-learning readiness, to support the innovative use of ICTs for lifelong learning, and to promote the competitiveness of the e-learning industry.</p>						
<b>Objectives:</b>						
<ul style="list-style-type: none"> <li>• To increase the broadband connectivity of Canada's First Nations Schools.</li> <li>• To provide schools, libraries and not-for-profit learning organizations with refurbished, surplus computers.</li> <li>• To improve the e-readiness of Canadians for the use of e-learning.</li> </ul>						

**Results:**

- Canadian learners were provided with single-point access to online courses through Canada's Campus Connection, which has grown from 78 courses in 2001 to 2,700 courses in 2004–05. A partner program, Campus Canada, provides access to 45 Internet-based degree programs.
- The SchoolNet.ca portal provides Canadian elementary and secondary students with access to online resources.
- To increase the safety and security of young Canadians using the Internet, SchoolNet developed Cyberwise.ca in partnership with the Royal Canadian Mounted Police and Public Safety and Emergency Preparedness Canada. Support was also provided to Child Find Manitoba to operate the Cybertip hotline, where Internet users can report abuses of the Internet.
- SchoolNet supported the second phase of the Young Canadians in a Wired World, which provides a benchmark for the status of the integration of ICTs and a basis for future programming.
- As of March 31, 2005, 43 percent of First Nations schools had broadband access, 26 percent had video conferencing capabilities, and the computer-to-student ratio had been decreased to 1:6 from 1:8.
- More than 260 Canadian e-learning developers and institutional users were made aware of international open technical specifications and standards.
- In 2004, Canada proposed a standard to ensure the inclusion of people with disabilities and people requiring alternative access technologies in e-learning environments. The standard was proposed to the ISO/International Electrotechnical Commission (IEC) Joint Technical Committee on Information Technology's Sub-Committee on Learning, Education and Training. This work item passed the initial ballot and is now an active project within ISO/IEC.
- There were 102,464 surplus computers refurbished and distributed to schools, libraries and not-for-profit learning organizations, thereby extending the useful life of the computers and diverting them from landfill sites.
- SchoolNet sponsored a Statistics Canada survey, entitled "Connectivity and ICT Integration in Canadian Elementary and Secondary Schools," published in June 2004. This survey has identified the status of school connectivity, use of ICTs, and remaining gaps requiring attention. A Statistics Canada survey of First Nations schools was also completed, and the results were released to the public.

Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	42,216	42,776	—	20,026	19,738	19,738
<b>Youth Employment Strategy (YES)* Component of Total Contributions**</b>	14,834	12,664	—	967	967	967
<b>Net Program Contributions</b>	27,382	30,112	—	19,059	18,771	18,771

\* For further information on YES, please refer to page 77.

\*\* Figures are representative.

**Comments on Variance:**

Subsequent to the tabling of the Public Accounts and the reported nil planned spending, SchoolNet's authorities and resources were extended in the fall of the 2004–05 fiscal year.

<b>Significant Evaluation Findings:</b>						
<ul style="list-style-type: none"> <li>• There is a strong economic rationale for SchoolNet.</li> <li>• SchoolNet remains relevant.</li> <li>• There is a continued need to support First Nations schools, students and teachers.</li> <li>• As one of its key goals, SchoolNet should continue to develop a strategic focus on use of ICT in education.</li> </ul>						
The evaluation of the SchoolNet Program, January 16, 2004, is available at <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/2979db29ea415fe185256e97006dc18b!OpenDocument">www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/2979db29ea415fe185256e97006dc18b!OpenDocument</a>						
<b>Social Economy — Financing</b>						
<b>Start Date:</b> 2004		<b>End Date:</b> Not applicable			<b>Total Funding:</b> *	
<b>Description of Transfer Payments Program:</b>						
In recognition of the social economy sector's growing contribution to Canada's communities, Budget 2004 provided \$100 million in new funding over five years for pilot programs. Access is often a critical factor in the ability of social enterprises to grow.						
* No funding has been distributed to date. Funding is pending the completion of consultations with the stakeholders regarding the design of the funds.						
The regional yearly allocation is as follows: Western Canada (\$5 million/year); Ontario (\$7 million/year); Quebec (\$6 million/year); and Atlantic Canada (\$2 million/year). Regional development agencies will deliver funding in Western Canada, Quebec and Atlantic Canada. Industry Canada and FedNor will be responsible for the investment of funds in Ontario.						
<b>Objectives:</b>						
<ul style="list-style-type: none"> <li>• To provide financing (patient capital and lending) to social enterprises.</li> <li>• To improve access to loans and patient capital, and thereby ease a barrier to the role of social enterprises in meeting economic, social and community goals.</li> </ul>						
<b>Results:</b>						
No funding has been distributed to date. Funding is pending the completion of consultations with stakeholders regarding the design of the funds.						
Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
Total Grants	No funding has been distributed.					
Total Contributions						
Total Transfer Payments Program						



<b>Softwood Industry and Community Economic Adjustment Initiative</b>		
<b>Start Date:</b> December 1, 2002	<b>End Date:</b> March 31, 2005	<b>Total Funding:</b> \$91,052,579
<b>Description of Transfer Payments Program:</b>		
<p>The Softwood Industry and Community Economic Adjustment Initiative (SICEAI) creates long-term sustainable economic benefits — permanent jobs, businesses, new products, adoption of new technologies and community facilities — in regions and communities affected by the U.S. duties on softwood lumber, by funding projects that will improve economic diversification and decrease dependency on softwood industries.</p>		
<b>Objective:</b>		
<p>To create long-term sustainable economic benefits in regions and communities that have experienced permanent job losses as a result of the U.S. duties on softwood lumber, by funding projects that will improve economic diversification and decrease dependency on softwood industries.</p>		
<b>Results:</b>		
<p>SICEAI provided support to a total of 542 projects in British Columbia (145), Ontario (72) and Quebec (325). SICEAI funding leveraged a further \$247.75 million in additional investment and created or maintained 7,421 directly related jobs, as follows: British Columbia (2,500), Ontario (699) and Quebec (4,222). The numbers alone do not convey the strategic importance of SICEAI funding for many of the communities affected by the softwood lumber dispute. The following are some examples of the results that have been achieved:</p>		
<ul style="list-style-type: none"> <li>• In the Vernon, B.C., Airport Training Council project, aircraft mechanics are being trained in order to fill a shortage for them in the Okanagan and other parts of B.C. SICEAI paid for the purchase of 12 used airplane engines, representing different technologies and manufacturers, which students take apart and reassemble as part of their course.</li> <li>• The town of Merritt, B.C., has been hard hit by the softwood dispute, and the town centre has many empty stores. The SICEAI project is a Hollywood-style “walk of stars” featuring bronze plaques with the handprints of country music performers. This builds on the large country music festival that Merritt hosts each year. The SICEAI project is part of a larger plan by the proponents who hope to establish Merritt as the “Country Music Capital of Canada” in order to develop sustained tourist traffic.</li> <li>• In Atikokan, Ontario, SICEAI funding contributed to a project that reopened the Fibratech Manufacturing Inc. facility, taking it out of receivership and into profitable production, employing 140 people.</li> <li>• SICEAI contributed to the creation of a new company, Long Lake Timber Reclamations, which will employ an innovative floating conveyer system to harvest logs submerged in northwestern Ontario rivers. Long Lake No. 58 First Nation developed this technology and the project involved the Band partnering with 18 regional businesses and two professional consulting firms. There is an opportunity for about 20 positions for First Nation members, as the company grows and as partnerships are formed with other First Nations that have access to former river-run wood resources.</li> <li>• In Normandin, in the region of Saguenay–Lac Saint-Jean, SICEAI supported a project to establish a secondary wood processing facility, using Finnish technology that modifies wood thermally, which will create 20 jobs.</li> </ul>		

Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions</b>	100	24,415	72,326	66,537	66,537	5,789
<b>Comments on Variance:</b>						
<p>The variance was caused by the fact that several of Western Economic Diversification Canada's (WD's) repayable projects did not proceed. For some, this was due to financial difficulties related to the non-SICEAI portion of the projects; for others, it was because of inadequate time remaining in the program to carry out the projects. The lack of time related, in most cases, to the delays encountered in launching SICEAI, as well as to the time required to complete environmental assessments. Part of the resulting unused WD funds were transferred to the other two agencies (FedNor and CED) for their use prior to the end of the program.</p>						
<b>Significant Evaluation Findings:</b>						
A summative evaluation will be conducted in the 2005–06 fiscal year.						
<b>Structured Financing Facility</b> <a href="http://strategis.ic.gc.ca/epic/internet/insim-cnmi.nsf/en/h_uv00002e.html">strategis.ic.gc.ca/epic/internet/insim-cnmi.nsf/en/h_uv00002e.html</a>						
<b>Start Date:</b> September 2001		<b>End Date:</b> March 2007		<b>Total Funding:</b> \$13,991,466		
<b>Description of Transfer Payments Program:</b>						
<p>The program stimulates economic activities in the Canadian shipbuilding and industrial marine industry by providing financial assistance to buyers/lessees of Canadian-built ships.</p>						
<b>Objective:</b>						
<ul style="list-style-type: none"> <li>To stimulate economic activities in the Canadian shipbuilding and industrial marine industry by providing financial assistance to buyers/lessees of Canadian-built ships such that annual revenues increase by about \$200 million and employment increases by 1,740.</li> <li>To provide competitive financing to the industry, recognizing the unique challenges that this sector must overcome in the current global marketplace. The program will be focused on opportunities and will be forward-looking in application.</li> <li>To provide an alternative to accelerated capital cost allowance for those Canadian shipowners who cannot fully utilize this tax measure.</li> </ul>						
<p>Given the current international context in the shipbuilding and industrial marine industry sector, the Structured Financing Facility (SFF) Program is a key component of the Canadian shipbuilding policy framework (<i>Focusing on Opportunities: A New Policy Framework for the Canadian Shipbuilding and Industrial Marine Industry</i>), which is designed to achieve the objectives stated above.</p>						
<b>Results:</b>						
<p>In 2004–05, 11 projects were approved and eight were contracted. SFF cost per person-year for the eight new projects is expected to be \$17,500, which is consistent with targets. There were \$9.5 million in disbursements, representing \$93 million in shipyard sales and 958 person-years of employment in completed projects. A further \$11.2 million was committed during 2004–05, representing an additional \$82 million in sales and 640 person-years of employment. Atlantic Canada is receiving 41 percent of these funds; Quebec, 36 percent; B.C., 20 percent; and Ontario, 3 percent.</p>						
<p>On a community level, the results are as follows (for completed and ongoing projects during 2004–05).</p>						
<b>Completed projects</b>						
<i>Community</i>		<i>Sales</i>		<i>Person-Years</i>		
Lévis, Que.		\$75 million		758		
Georgetown P.E.I.		\$13 million		176		
Dartmouth N.S.		\$3.5 million		22		
Cap-aux-Meules, Que.		\$0.3 million		2		

<b>Ongoing projects during 2004–05</b>						
<i>Community</i>		<i>Sales</i>		<i>Person-Years</i>		
Georgetown P.E.I.		\$28 million		272		
Halifax, N.S.		\$14 million		123		
Isle-aux-Coudres, Que.		\$0.6 million		3		
Glovertown, N.L.		\$3.5 million		30		
St. Thomas, Ont.		\$4.2 million		28		
Wheatley, Ont.		\$13.5 million		112		
Vancouver, B.C.		\$35 million		214		
<b>Grants and/or Contributions</b>	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>			
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>	<b>Variance Between Planned and Actual</b>
<b>Total Contributions</b>	1,034	3,270	54,084	9,896	9,455	44,629
<b>Comments on Variance:</b>						
<p>A number of factors have led to a significant variance between planned and actual spending. An amount of \$15 million was used as part of the departmental contribution to the \$1 billion reallocation exercise announced by the government in Budget 2003. In addition, actual project costs were, in some cases, less than the approved funding. SFF projects can take six months to a year and a half to complete, and disbursements are made only when the vessel is completed. Delays in project completion, underspending in projects, and cancellations of projects have impacts on planned expenditures, and are part of the variance due to the normal course of business.</p>						
<b>Significant Evaluation Findings:</b>						
<p>An interim evaluation of SFF was completed and a report will be available in fall 2005 on the SFF website (<a href="http://strategis.gc.ca/epic/internet/insim-cnmi.nsf/en/uv00003e.html">strategis.gc.ca/epic/internet/insim-cnmi.nsf/en/uv00003e.html</a>).</p>						
<b>Technology Partnerships Canada (TPC)</b>						<b><a href="http://tpc.ic.gc.ca">tpc.ic.gc.ca</a></b>
<ul style="list-style-type: none"> <li>• TPC R&amp;D program</li> <li>• TPC h2 Early Adopters (h2EA) program</li> </ul>						
<b>Start Date:</b> (TPC R&D program) March 11, 1996; (TPC h2EA program) October 9, 2002						
<b>End Date:</b> (TPC R&D program) Not applicable; (TPC h2EA program) March 31, 2008						
<b>Total Funding:</b> \$2,175,662,000						
<b>Description of Transfer Payments Program:</b>						
<p>The programs provide funding support for strategic research and development, and demonstration projects that will produce economic, social and environmental benefits to Canadians.</p>						
<b>Objectives:</b>						
<b>TPC R&amp;D Program:</b>						
<p>To advance Canada's knowledge base to improve the technological and strategic positioning of firms involved in R&amp;D; strengthen the Canadian innovation system; broaden and deepen Canada's R&amp;D capacity; and make advancements in health and safety.</p>						
<p>This focus helps ensure that innovation in Canada supports important areas and has lasting effects, which will, in turn, contribute to improving industrial productivity and competitiveness, sustainable development, quality of life, and the quality of our environment.</p>						
<b>TPC h2EA program:</b>						
<ul style="list-style-type: none"> <li>• To increase public, consumer and investor awareness and acceptance of the hydrogen capability.</li> <li>• To integrate hydrogen and hydrogen-compatible technologies.</li> <li>• To develop hydrogen infrastructures.</li> <li>• To develop skills and a supply chain in the hydrogen industry.</li> <li>• To develop codes and standards for the hydrogen industry.</li> <li>• To increase the performance, reliability, durability and economical viability of hydrogen and hydrogen-compatible technologies.</li> </ul>						
<p>The program's objectives will be achieved through demonstration projects in the field of hydrogen technology.</p>						

**Results:**

- TPC contracted 31 projects valued at \$256.5 million.
- Aerospace and defence technologies: 24 projects for \$203.9 million
- Enabling technologies: three projects for \$22.6 million
- Environmental technologies: four projects for \$30.0 million
- TPC-IRAP: 40 projects for \$15.7 million
- TPC h2EA: four projects for \$13.3 million.

More information is available at TPC's website ([www.tpc.ic.gc.ca](http://www.tpc.ic.gc.ca)) (click on Year in Review.)

Grants and/or Contributions	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
<b>Total Contributions TPC</b>	327,770	311,818	385,310	376,658	304,036	81,274
<b>Total Contributions TPC h2EA</b>	—	—	8,825	4,525	2,811	6,014
<b>Total Transfer Payments Program</b>	327,770	311,818	394,135	381,183	306,847	87,288

**Comments on Variance:**

For TPC, the variance is attributable to the following:

- A \$4.9-million reduction to the Main Estimates resulting from TPC's contribution toward the \$1-billion government-wide reallocation exercise.
- A plan to fully utilize the carry-forward authority (up to \$60 million) to gradually manage future-year incremental reductions in the contribution budget, thereby ensuring continuity in the program's approval cycle.
- A reduction in the number of projects approved in 2004–05 under TPC-IRAP.

For h2EA, the variance is due primarily to the amount of \$4.3 million being re-profiled to the 2007–08 fiscal year.

**Significant Evaluation Findings:**

The evaluation highlighted the following recommendations:

- Review the balance, scope and focus of activities to ensure efficient use of funds.
- Review and revise the project selection process.
- Adjust the "unrealistic" 3-percent operating budget level to the higher level needed for this type of program.
- Develop better performance measures and communications to tell TPC's story.

## Details on Other Programs

Industry Canada is responsible for the Canada Small Business Financing (CSBF) program. This program does not provide grants and contributions; therefore, it is not reported in the table Details on Transfer Payments Programs. The CSBF is included under the business line Industry Sector Development.

Canada Small Business Financing (CSBF) Program			strategis.gc.ca/csbf			
Start Date: 1961		End Date: Not applicable				
<b>Description of Transfer Payments Program:</b>						
Loan loss sharing program, in partnership with financial institutions, designed to increase access to financing for Canadian SMEs.						
<b>Objective:</b>						
To encourage private sector lenders and lessors to increase the availability of loans and capital leases for the purpose of the establishment, expansion, modernization and improvement of small businesses across Canada.						
<b>Results:</b>						
<ul style="list-style-type: none"> <li>• A total of 11,042 loans, representing \$1,039.6 million, were made to SMEs under the CSBF program in 2004–05.</li> <li>• A total of 287 capital leases, representing \$25.8 million, were made to SMEs under the Capital Leasing Pilot Project in 2004–05.</li> <li>• In 2004–05, 1,639 CSBFA claims totalling \$77.6 million and 380 SBLA claims totalling \$11.1 million were paid.</li> </ul>						
Statutory Payments	Actual 2002–2003* (\$000)	Actual 2003–2004* (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual	Variance Between Planned and Actual
CSBFA	68,891	73,493	89,340	77,593	77,593	11,747
SBLA	61,038	26,011	16,630	11,131	11,131	5,499
Capital Leasing	0	0	200	11	11	189
<b>Total Payments</b>	<b>130,019</b>	<b>99,504</b>	<b>106,170</b>	<b>88,735</b>	<b>88,735</b>	<b>17,435</b>
* Actuals for 2002–03 and 2003–04 include amounts for the Atlantic Canada Opportunities Agency, Western Economic Diversification Canada and Canada Economic Development for Quebec Regions.						
<b>Comments on Variance:</b>						
There were fewer claim payments than anticipated in 2004–05.						
<b>Significant Evaluation Findings:</b>						
The CSBF program was reviewed, covering the five-year period from April 1, 1999, to March 31, 2004. The review concluded that the program was still relevant to the needs of small business, there are no attractive alternatives to it, and there is minimal overlap between it and other federal initiatives to support access to financing by small business.						
Independent research and an outside evaluation of the CSBF program under the direction of a public–private sector committee, based on a Result-based Management and Accountability Framework, was completed to support this review.						
<a href="http://strategis.gc.ca/epic/internet/insbrp-rppe.nsf/en/rd00901e.html">strategis.gc.ca/epic/internet/insbrp-rppe.nsf/en/rd00901e.html</a> <a href="http://strategis.gc.ca/epic/internet/insbrp-rppe.nsf/en/rd01126e.html">strategis.gc.ca/epic/internet/insbrp-rppe.nsf/en/rd01126e.html</a>						

## 3.7 Foundations (Conditional Grants)

Conditional grants are transfer payments generally made to not-for-profit organizations for use over a number of years (or in perpetuity), for a specified purpose, pursuant to conditions contained in a funding agreement. In some cases, these organizations are referred to as foundations. Industry Canada is responsible for administering funding agreements with the following organizations.

Canada Foundation for Innovation			innovation.ca			
<b>Start Date:</b> 1997		<b>End Date:</b> 2010		<b>Total Funding:</b> \$3,650,000,000		
<b>Purpose of funding:</b>						
The Canada Foundation for Innovation (CFI) is an independent corporation, established by the Government of Canada in 1997. The CFI's goal is to strengthen the capability of Canadian universities, colleges, research hospitals and other not-for-profit institutions to carry out world-class research and technology development.						
<b>Objective(s), expected result(s) and outcomes:</b>						
<ul style="list-style-type: none"> <li>To provide support for institutions to reach new heights of research excellence.</li> <li>To provide support to attract and retain the very best researchers.</li> <li>To maximize the impact of infrastructure investments.</li> </ul>						
<b>Results achieved or progress made (within overall departmental results achieved):</b>						
Over the past fiscal year, the CFI provided \$55 million under its New Opportunities Fund; \$67 million under the Canada Research Chairs Infrastructure Fund; \$4 million under the Innovation Fund; and \$66 million in other funding.						
	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>			
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	<b>Variance Between Planned and Actual</b>
<b>Conditional Grant(s)</b>	\$500 million	—	—	—	—	—
<b>Significant evaluation findings, and URL of last evaluation:</b>						
More than 20,000 researchers from academic institutions benefited from these projects last year, with an average of 22 academic users for each Infrastructure Fund project. Over 80 percent of the project leaders were involved in international collaborations last year and felt that the infrastructure had helped foster 90 percent of these collaborations. More than 2,200 researchers from the private and public sectors used the infrastructure to work collaboratively with the project teams.						
The projects are helping to build Canada's cadre of leading researchers. In 2003–04, 3,170 new faculty were recruited with the assistance of these projects, with 705 from the U.S. and 538 from other countries. The infrastructure also played a role in retaining over 4,000 faculty, or almost two per project. The projects attracted 3,801 postdoctoral fellows last year, including almost 2,000 from other countries.						
<a href="http://innovation.ca/evaluation/index.cfm">innovation.ca/evaluation/index.cfm</a>						
<b>Annual report:</b> <a href="http://innovation.ca/publications/index.cfm">innovation.ca/publications/index.cfm</a>						

<b>Canadian Academy of Science (CAS)</b>						
<b>Start Date:</b> April 1, 2005		<b>End Date:</b> March 31, 2015		<b>Total Funding:</b> \$ 30,000,000		
<b>Purpose of funding:</b> The CAS is an independent, not-for-profit organization registered under the <i>Canada Corporations Act</i> , representing the broad spectrum of Canadian scientific interests, from the natural sciences and engineering to health sciences, social sciences and humanities. The government of Canada's \$30 million grant will be used by the CAS to provide the Government with credible, independent assessments of the state of scientific knowledge on pressing issues, such as genetically modified food, climate change or asbestos. The CAS has a much broader scope than any existing science or learned organization. It also differs from governmental advisory councils in that it is an arm's length organization with a mandate for assessment, rather than advice.						
<b>Objective(s), expected result(s) and outcomes:</b>						
<ul style="list-style-type: none"> <li>To build on and complement the mandate of existing science organizations by encompassing the full spectrum of the sciences (the natural sciences, engineering, health sciences, social sciences and humanities).</li> <li>To provide credible, independent, expert assessments with respect to the sciences, on matters that are considered to be of public interest and, through public release of all assessments, to enhance public awareness and understanding of the sciences.</li> <li>To enhance government's, industry's and the public's ability to access the best available scientific knowledge on pressing issues with the objective of informing debate and decision-making.</li> <li>To provide a voice for Canadians with respect to sciences, both nationally and internationally.</li> <li>To secure the benefits associated with collaboration in joint activities with national academies around the world.</li> </ul>						
<b>Results achieved or progress made (within overall departmental results achieved):</b>						
<ul style="list-style-type: none"> <li>The Prime Minister, in his Response to the Speech from the Throne in October 2004, pledged that the federal government would provide operational funding to CAS for a ten year period. A one-time grant of \$30 million was awarded to CAS in the February 2005 federal budget allowing it to become operational.</li> <li>The CAS, incorporated as a non-profit corporation under the <i>Canada Corporations Act</i> in 2002, has continued its filings with Corporations Canada and had an interim Board of Governors from its three constituent organizations in place during this period.</li> <li>The CAS collaborated with the Government of Canada in the development of the Funding Agreement in the short time frame between Budget 2005 and March 30, 2005, when the Funding Agreement was signed.</li> </ul>						
	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>			
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	<b>Variance Between Planned and Actual</b>
<b>Conditional Grant(s)</b>	—	—	—	30,000	30,000	30,000
<b>Comments on variance:</b> Funding was authorized for 2004–05, but was only disbursed in July 2005, with the adoption of Budget 2005.						
<b>Significant evaluation findings, and URL of last evaluation:</b> There were no evaluations of the CAS during this time period.						

Canadian Centre for Creative Technology (Shad International)			www.shad.ca			
<b>Start Date:</b> April 1, 2002		<b>End Date:</b> March 31, 2006		<b>Total Funding:</b> \$6,000,000		
<b>Purpose of funding:</b>						
Shad International (Shad) is a non-profit, certified educational institution that aims to develop innovative leaders in science, technology and entrepreneurship. The Shad Valley program is a summer education and work-term experience for senior high-school students.						
<b>Objective(s), expected result(s) and outcomes:</b>						
<ul style="list-style-type: none"> <li>To expand the number of campuses to include an additional four universities that would serve as hosts for the month-long educational program, including a French or bilingual program, and a host university located in Quebec.</li> <li>To increase the number of Shad Valley participants by more than 50 percent, from the current 429 students accepted each year.</li> <li>To fund a larger bursary program, enabling more students to participate regardless of their economic circumstances.</li> <li>To achieve an increase of almost 50 percent over the current number of 160 corporate partnerships.</li> </ul>						
<b>Results achieved or progress made (within overall departmental results achieved):</b>						
Expand campuses		2004 actual: 10		2005 planned: 11		
Increase participants		2004 actual: 522		2005 planned: 570		
Increase bursaries/scholarships		2004 actual: \$220,000		2005 planned: \$327,500		
Increase partnerships		2004 actual: 235				
	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>			
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	<b>Variance Between Planned and Actual</b>
<b>Conditional Grant(s)</b>	—	—	—	—	—	—
<b>Comments on variance:</b>						
Since a total of \$6 million was expended in 2001–02, there is no variance.						
<b>Significant evaluation findings, and URL of last evaluation:</b>						
The mid-term evaluation indicated that the terms of the agreement are being fulfilled. The URL is not available, but the mid-term evaluation report is available upon request.						

Canadian Institute for Advanced Research			ciar.ca			
<b>Start Date:</b> April 1, 2002		<b>End Date:</b> March 31, 2007		<b>Total Funding:</b> \$25,000,000		
<b>Purpose of funding:</b>						
The Canadian Institute for Advanced Research (CIAR) encourages research excellence in Canada and strengthens the Canadian research community by bringing together world-class researchers to tackle key issues that confront human society and challenge our understanding of the natural world.						



**Objective(s), expected result(s) and outcomes:**

- To recruit new researchers as program members, expand post-doctoral and graduate student participation in program meetings, and launch the New Investigators Network to train and mentor younger researchers.
- To surpass CIAR's fundraising requirement of \$5 million and make progress toward the fundraising goal of \$6.2 million.
- To strengthen and renew CIAR's interdisciplinary research programs in cosmology and gravity, earth system evolution, evolutionary biology, nanoelectronics, quantum information processing, quantum materials, and successful societies.
- To launch one new program in an area where CIAR's funding would make a substantial difference.
- To increase the number of new international associates, and increase the promotion of CIAR in Canadian and international media.

**Results achieved or progress made (within overall departmental results achieved):**

CIAR appointed 33 new members in at least 20 fields to seven different research programs. The New Investigators Network was established with five senior researchers as mentors to a core group of 21 young research leaders. CIAR has adopted a practice of inviting graduate students and post-doctoral fellows to program meetings as often as possible. In 2003–04, 14 program meetings had a total attendance of 637, representing a mix of CIAR researchers and students.

CIAR's fundraising in 2003–04 fell short of expectations, with private sector donors either failing to donate or providing expected donations after the June 30 fiscal year end. CIAR's investment income on the other hand, exceeded expectations. In total, CIAR had \$5.7 million in income from non-federal sources. Cumulatively, in the first 27 months of the 60-month period of this grant (45 percent of the period), CIAR raised \$14.2 million (57 percent of the total required fundraising of \$25 million).

CIAR renewed existing programs as expected, and launched two new research program areas: Institutions, Organizations and Growth; and Neural Computation and Adaptive Perception.

CIAR attracted seven new international researchers, and for the first time, held a research event outside of Canada and raised funds from international sources. Overall, CIAR organized more events and more meetings than in the previous year.

	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual Spending	Variance Between Planned and Actual
<b>Conditional Grant(s)</b>	25,000	—	—	—	—	—

**Significant evaluation findings, and URL of last evaluation:** No link available (hard copy only)

All the established CIAR research programs have made a major contribution to important new ways of thinking.

All the established social science programs have had significant impacts on the development of government programs/services and policies, and almost all the scientific/technical programs have the potential to contribute to the development of new products or processes over the longer term.

CIAR has contributed to strengthening the innovation system by facilitating the development of linkages between researchers and potential users of research knowledge, by raising the awareness of key players in the innovation system of the importance of research, and by strengthening and maintaining Canada's base of highly qualified researchers.

CIAR funding has had an impact on both the increased amount and the higher quality of collaborations engaged in by participating researchers, including international collaborations.

**Annual report:** [www.ciar.ca/web/home.nsf/pages/annualreport](http://www.ciar.ca/web/home.nsf/pages/annualreport)

Canadian Youth Business Foundation			cybf.ca																		
<b>Start Date:</b> April 1, 2002		<b>End Date:</b> September 30, 2009		<b>Total Funding:</b> \$17,500,000																	
<b>Purpose of funding:</b>																					
<p>The Canadian Youth Business Foundation (CYBF) is a not-for-profit private sector organization that aims to support and develop youth entrepreneurship. The Youth Business program provides loans, mentorship support and an interactive website to entrepreneurs between 18 and 34 years of age.</p> <p>The Government of Canada provided \$7.5-million in March 2002 to achieve the objectives over four years.</p>																					
<b>Objective(s), expected result(s) and outcomes:</b>																					
<ul style="list-style-type: none"> <li>To provide fundamental business skills and mentoring programs across Canada.</li> <li>To expand the availability of loans and mentorship services to an additional 250 community sites, including a greater presence in Quebec.</li> <li>To provide complementary mentor support services to Aboriginal-managed lending services through Aboriginal organizations and the Business Development Bank of Canada.</li> <li>To enhance online resources for youth entrepreneurs.</li> </ul>																					
<p>The Government of Canada provided an additional \$10 million in Budget 2005 to sustain its operations until the fall of 2009.</p>																					
<b>Results achieved or progress made (within overall departmental results achieved):</b>																					
<ul style="list-style-type: none"> <li>Number of new loans to new businesses, and total value (April 1, 2004, to March 31, 2005): <table border="1" data-bbox="272 846 665 1024"> <tr> <td>Atlantic</td> <td>39 loans</td> <td>\$423,000</td> </tr> <tr> <td>Quebec</td> <td>26 loans</td> <td>\$295,500</td> </tr> <tr> <td>Ontario</td> <td>25 loans</td> <td>\$284,000</td> </tr> <tr> <td>West</td> <td>18 loans</td> <td>\$206,341</td> </tr> <tr> <td><b>Total</b></td> <td><b>108 loans</b></td> <td><b>\$1,208,341</b></td> </tr> </table> </li> <li>Expanded activity in Quebec: new staff hired in Quebec with focus to further identify and approach new partners; and two new partners secured in Montréal.</li> <li>Continued to promote to Aboriginal youth: pilot program started with the Canadian Executive Service Organization and ABC in Saskatchewan, Manitoba, and Ontario, and a senior vice-president was hired to develop an Aboriginal program.</li> <li>Enhanced online resources: two CYBF mentoring programs were replaced with new online offers that are more cost-effective and technologically viable.</li> <li>Number of young entrepreneurs assisted by CYBF mentors (this includes new, existing and re-matched mentors): 384.</li> <li>Number of young entrepreneurs assisted by CYBF's online services: 80,600 (number of user sessions on <b>youthbusiness.com</b>); 104,435 (number of visitors to <b>cybf.ca</b> — includes French site).</li> </ul>							Atlantic	39 loans	\$423,000	Quebec	26 loans	\$295,500	Ontario	25 loans	\$284,000	West	18 loans	\$206,341	<b>Total</b>	<b>108 loans</b>	<b>\$1,208,341</b>
Atlantic	39 loans	\$423,000																			
Quebec	26 loans	\$295,500																			
Ontario	25 loans	\$284,000																			
West	18 loans	\$206,341																			
<b>Total</b>	<b>108 loans</b>	<b>\$1,208,341</b>																			
<p>Note: Last year's results reflected the number of hits on the entrepreneur page of the CYBF home page only. This year, the results indicate number of visits to the <b>cybf.ca</b> home page and user sessions on the <b>youthbusiness.com</b> home page, as these figures provide a better measure of web traffic by single users, as opposed to the number of hits by single users.</p>																					
	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>																		
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	<b>Variance Between Planned and Actual</b>															
<b>Conditional Grant(s)</b>	—	—	—	10,000	10,000	10,000															
<b>Comments on variance:</b>																					
<p>Funding of \$10 million was authorized for 2004–2005, but was only disbursed in 2005–2006, with the adoption of Budget 2005.</p>																					
<b>Significant evaluation findings, and URL of last evaluation:</b>																					
<p>The mid-term evaluation indicated that the terms of agreement are being fulfilled. The URL is not available, but the mid-term evaluation report is available upon request.</p>																					

<b>CANARIE — CA*net 4</b>			<b>canarie.ca</b>			
<b>Start Date:</b> March 2002		<b>End Date:</b> March 31,2007		<b>Total Funding:</b> \$110,000,000		
<b>Purpose of funding:</b> CANARIE developed and operates CA*net 4 to provide Canada's research and education communities with high-speed optical networking capability.						
<b>Objective(s), expected result(s) and outcomes:</b> To enable the country's research networks and institutions to participate in research activities across Canada and around the world.						
<b>Results achieved or progress made (within overall departmental results achieved):</b> CA*net 4 was successfully launched with new lightpath technology and is supporting world class research, enabling Canada to maintain a lead in advanced networks.						
	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>			
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	<b>Variance Between Planned and Actual</b>
<b>Conditional Grant(s)</b>	—	—	—	—	—	—
<b>Significant evaluation findings, and URL of last evaluation:</b> The independent interim evaluation of CA*net 4 was completed in May 2004. Results indicated that CA*net 4 was successfully launched with new lightpath technology and is supporting world class research, enabling Canada to maintain a lead in advanced networks that will set the standard commercially and contribute to the country's competitiveness. The evaluation recommended that CANARIE intensify its work to extend access to CA*net 4, increase use of the network by Canadian industry and other groups, and accelerate the commercialization of software and equipment developed for CA*net 4. Copies of the evaluation are available by request from CANARIE Inc. A summative evaluation is scheduled for completion by April 1, 2006.						
<b>Annual report:</b> <a href="http://www.canarie.ca/annualreport/areport_2005.pdf">www.canarie.ca/annualreport/areport_2005.pdf</a>						

<b>Genome Canada</b>			<b>genomecanada.ca</b>			
<b>Start Date:</b> March 2000		<b>End Date:</b> March 2008		<b>Total Funding:</b> \$600,000,000		
<b>Purpose of funding:</b> Genome Canada is an independent corporation established in 2000. Its objective is to enable Canada to become a world leader in selected areas of genomic and proteomic research by bringing together consortia to deliver genomics and proteomics research, technology platforms, and major genomics and proteomics projects.						
<b>Objective(s), expected result(s) and outcomes:</b>						
<ul style="list-style-type: none"> <li>• To continue the acceleration of groundbreaking genomics and proteomics research, focusing in this project competition on applied health genomics research for the delivery of predictive, preventive and personalized health care to individuals and populations.</li> <li>• To continue the pursuit of public-private partnerships.</li> <li>• To further develop S&amp;T platforms to provide needed infrastructure for Canadian researchers, in order for Canadian firms to capitalize on Canadian discoveries.</li> </ul>						
<b>Results achieved or progress made (within overall departmental results achieved):</b> Genome Canada leveraged co-funding that more than doubled the government investment. Competitions have financed 79 large-scale projects and platforms focused on niches in health, agriculture, environment, forestry and aquaculture, as well as essential supporting technologies, where Canada is, or could become, a world leader. Successes include the sequencing of the SARS virus, as well as the bovine and poplar tree genomes. The short three-year period of research has resulted in 30 patent applications filed, two patents issued, 43 invention declarations filed, and 28 new or improved products, services or processes.						

	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual Spending	Variance Between Planned and Actual
<b>Conditional Grant(s)</b>	—	75,000	60,000	225,000	225,000	165,000
<b>Comments on variance:</b> Funding of \$165 million was authorized in 2004–05, but was only disbursed in 2005–06 with the adoption of Budget 2005.						
<b>Significant evaluation findings, and URL of last evaluation:</b> The interim evaluation of March 2004, based on the Results-Based Management and Accountability Framework approved by Genome Canada in June 2002, is an independent, third-party evaluation for the period of 2000–03 of Genome Canada's progress and achievements. The evaluation's purpose was to measure Genome Canada's progress relative to its objectives. The indications from the evaluation are that Canada is now recognized as a potential world leader in certain areas (i.e. GE <sup>3</sup> LS, agriculture, aquaculture, forestry and proteomics). Genome Canada introduced an innovative, business-oriented program model. This study concluded that the Genome Canada research projects are by far the most actively managed university research projects in Canada. <a href="http://genomecanada.ca/GCgenomeCanada/enBref/evaluation.asp?l=e">genomecanada.ca/GCgenomeCanada/enBref/evaluation.asp?l=e</a>						
<b>Annual report:</b> <a href="http://www.genomecanada.ca/GCgenomeCanada/enBref/publications.asp?l=e">www.genomecanada.ca/GCgenomeCanada/enBref/publications.asp?l=e</a>						

<b>The Pierre Elliott Trudeau Foundation</b>			<a href="http://trudeaufoundation.ca">trudeaufoundation.ca</a>			
<b>Start Date:</b> N/A		<b>End Date:</b> N/A		<b>Total Funding:</b> \$125,000,000		
<b>Purpose of funding:</b> The Pierre Elliott Trudeau Foundation provides scholarships to promising Canadian and international students who wish to pursue doctoral studies in Canada in the humanities and social sciences. The foundation will also provide fellowships to mid-career researchers and mentorships to seasoned professionals who work in the field of public policy. The foundation must provide an annual report to Industry Canada. The foundation manages the funds according to specific terms and conditions.						
<b>Objective(s), expected result(s) and outcomes:</b> <ul style="list-style-type: none"> <li>To increase the number of doctoral students supported to 30.</li> <li>To increase the number of fellowships supported to 12.</li> <li>To increase the number of mentorships supported to nine.</li> <li>To host a major conference addressing issues of public policy and social concern.</li> </ul>						
<b>Results achieved or progress made (within overall departmental results achieved):</b> <ul style="list-style-type: none"> <li>Increased the number of doctoral students supported to 26.</li> <li>Increased the number of fellowships supported to nine.</li> <li>Increased the number of mentorships supported to eight.</li> <li>Hosted a major conference addressing issues of public policy and social concern.</li> </ul>						
	Actual 2002–2003 (\$000)	Actual 2003–2004 (\$000)	2004–2005 (\$000)			
			Planned Spending	Total Authorities	Actual Spending	Variance Between Planned and Actual
<b>Conditional Grant(s)</b>	—	—	—	—	—	—
<b>Significant evaluation findings, and URL of last evaluation:</b> The first evaluation of the Trudeau Foundation is due March 31, 2007. One is required every five years thereafter.						
<b>Annual report:</b> <a href="http://www.trudeaufoundation.ca/pdf/tf_annual_report0304.pdf">www.trudeaufoundation.ca/pdf/tf_annual_report0304.pdf</a>						

<b>Precarn Incorporated — Phase 4</b>			<b>precarn.ca</b>			
<b>Start Date:</b> April 2005		<b>End Date:</b> 2010–2011		<b>Total Funding:</b> \$20,000,000		
<b>Purpose of funding:</b> Precarn Incorporated supports research and development leading to the commercialization of advanced robotics and intelligent systems.						
<b>Objective(s), expected result(s) and outcomes:</b> To contribute up to 40 percent of the cost of developing prototypes to improve processes in manufacturing, natural resource industries, health care and the environment.						
	<b>Actual 2002–2003 (\$000)</b>	<b>Actual 2003–2004 (\$000)</b>	<b>2004–2005 (\$000)</b>			
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	<b>Variance Between Planned and Actual</b>
<b>Conditional Grant(s)</b>	—	—	—	20,000	20,000	20,000
<b>Comments on variance:</b> Funding was authorized for 2004–2005, but was only disbursed in 2005–2006, with the adoption of Budget 2005.						
<b>Significant evaluation findings, and URL of last evaluation:</b> A summative evaluation was completed in December 2004 that indicated that the Precarn program, over the first three phases, had been successful in supporting projects that returned significant benefits to industry participants. The \$65 million invested by the federal government in the Precarn program had attracted an additional \$200 million in contributions by project participants. Copies of the evaluation are available by request from Precarn Incorporated.						
<b>Annual report:</b> <a href="http://www.precarn.ca/publications/PrecarnAnnualReports/file_Precarn_Annual_Report_2004_05.pdf">www.precarn.ca/publications/PrecarnAnnualReports/file_Precarn_Annual_Report_2004_05.pdf</a>						

## 3.8 Responses to Parliamentary Committees, Audits and Evaluations for 2004–05

The following tables provide information on responses to parliamentary committee reports, recommendations made by the Auditor General, and internal or external audits and evaluations that pertain to the Department's work for the fiscal year 2004–05.

<b>Standing Committee on Canadian Heritage (CHPC)</b>	
<b><i>Interim Report on Copyright Reform</i></b>	<b>May 2004 (Readopted in November)</b>
<b>Summary of questions raised, and recommendations and progress in meeting commitments</b>	
<p>On March 24, 2005, in advance of the parliamentary deadline of April 1, 2005, the ministers of Industry and Canadian Heritage tabled a response on behalf of the Government of Canada outlining proposed amendments to the <i>Copyright Act</i> that is included in the government's formal response to the Standing Committee on Canadian Heritage (CHPC) May 2004 (readopted in November) <i>Interim Report on Copyright Reform</i>. The government statement also indicates that the government plans to introduce a bill to amend the <i>Copyright Act</i> in the spring of 2005.</p> <p>The CHPC report's main recommendations are that the government should: (1) proceed with the immediate implementation and ratification of two World Intellectual Property Organization treaties (the WIPO Treaties) concluded in 1996 to address the Internet; (2) impose a "notice and takedown" regime on Internet service providers (ISPs), pursuant to which ISPs would be required to block access to material that is alleged by rights holders to infringe copyright; and (3) prescribe an "extended" collective licensing regime under which designated collective societies would be empowered to license the educational use of virtually all Internet material, including the material of creators who are not members of these collectives.</p> <p>The government response underscores the fact that one of the principles underlying the Act is the need to maintain an appropriate balance. Not all of the committee's recommendations are reflected in these proposals. The government has made every effort in its proposals to find the appropriate balance between the rights of copyright owners and the needs of users and intermediaries.</p> <p>Amendments to the <i>Copyright Act</i> were tabled as Bill C-60 on June 20, 2005.</p> <p>The Government's response is posted online at <a href="http://strategis.gc.ca/epic/internet/incrp-prda.nsf/en/rp01141e.html">strategis.gc.ca/epic/internet/incrp-prda.nsf/en/rp01141e.html</a></p>	

<b>Office of the Auditor General of Canada's 1999 Report of the Auditor General of Canada, Chapter 19: Industry Portfolio — Investing in Innovation</b>
<p>Technology Partnerships Canada continues to respond to the recommendations of the <i>1999 Report of the Auditor General of Canada</i>, Chapter 19: Industry Portfolio — Investing in Innovation. The 2001 follow-up of the 1999 audit noted that "TPC has taken steps on many fronts to improve its monitoring of projects." TPC has since established its Portfolio Risk Management System, along with a number of additional monitoring activities, and has increased capacity of the database system.</p>

The Audit and Evaluation Branch of Industry Canada provides independent, professional and high quality audit and evaluation services, founded on sound values and ethics, to support informed decision making and enhanced performance and accountability across the Department. During the 2004–05 fiscal year, the following audit reviews and evaluation studies were completed on behalf of Industry Canada.

<b>Internal Audits and Evaluations</b>
<b>Audits</b> (with Departmental Audit and Evaluation Committee approval dates)
<b>Audit of the Acquisition of Information Technology Goods and Services</b> (February 2005) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/6a98bab2e2f1969b85257021006e342a!OpenDocument">http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/6a98bab2e2f1969b85257021006e342a!OpenDocument</a>
<b>Audit of SchoolNet</b> (February 2005) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/67d88cf2b4206c3885257021006e342b!OpenDocument">www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/67d88cf2b4206c3885257021006e342b!OpenDocument</a>
<b>Follow-up Audit of ABC Business Process and Monitoring</b> (February 2005) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/cc4e9ccd84fca5cb85256e12007929e8!OpenDocument">http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/cc4e9ccd84fca5cb85256e12007929e8!OpenDocument</a>
<b>Follow-up Audit of Atlantic Region</b> (February 2005) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/de0db835a794b66585256d6a00698a5f!OpenDocument">http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/de0db835a794b66585256d6a00698a5f!OpenDocument</a>
<b>Follow-up Audit of FedNor</b> (February 2005) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/6906a299b43e367685256a550069af83!OpenDocument">http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/6906a299b43e367685256a550069af83!OpenDocument</a>
<b>Official Languages Audit Report — Service to the Public</b> (October 2004) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/24f6f30176c7e23685256f8505b60b2!OpenDocument">www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/24f6f30176c7e23685256f8505b60b2!OpenDocument</a>
<b>Audit of Community Futures Program</b> (October 2004) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/c070503389b5560985256f85005b60b1!OpenDocument">www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/c070503389b5560985256f85005b60b1!OpenDocument</a>
<b>Evaluations</b> (with Departmental Audit and Evaluation Committee approval dates)
<b>Evaluation of the Innovation and Knowledge-Based Economy Initiative in Ontario</b> (February 2005) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/ef70f141796a4f4685257021007181ba!OpenDocument">http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/ef70f141796a4f4685257021007181ba!OpenDocument</a>
<b>Summative Evaluation of Industry Canada's Support to the Innovation and Innovation Commercialization Initiative of the Industrial Research and Development Institute</b> (February 2005) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/3cfe2e051f67afa08525702100725e0b!OpenDocument">http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/3cfe2e051f67afa08525702100725e0b!OpenDocument</a>
<b>Summative Evaluation of the Core Loans Program under the <i>Canada Small Business Financing Act</i></b> (February 2005 ) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/2343e7fc03334dc1852570210070b7c4!OpenDocument">http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/2343e7fc03334dc1852570210070b7c4!OpenDocument</a>
<b>Formative Evaluation of Internal Trade Secretariat</b> (October 2004) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/54f31a3b80a9076985256f85006170e5!OpenDocument">www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/54f31a3b80a9076985256f85006170e5!OpenDocument</a>
<b>Summative Evaluation of CANARIE Phase 3</b> (October 2004) <a href="http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/832dee6e2c194d8f85256f8500609385!OpenDocument">www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/832dee6e2c194d8f85256f8500609385!OpenDocument</a>
<b>Independent Evaluation of the Canada Small Business Financing Program (1999–2004), prepared by BearingPoint</b> (February 2005) The results of the evaluation, along with additional research, were included in a Comprehensive Review Report tabled in Parliament on April 22, 2005. For a copy of the Comprehensive Review Report and accompanying reports, visit <a href="http://strategis.ic.gc.ca/csbfa">strategis.ic.gc.ca/csbfa</a> .

## 3.9 Sustainable Development Strategy

Industry Canada's third Sustainable Development Strategy (SDS III), 2003–06, commits the Department to playing a strategic enabler role and promoting innovative sustainable development solutions through the following strategic outcomes: innovation toward sustainable development, corporate and community sustainability, and sustainable development capacity building within Industry Canada.

During the 2004–05 period, progress continued on the implementation of the action items contained in Industry Canada's sustainable development strategy (SDS III). As of March 31, 2005, six action items were at the early stage of completion, 10 were at the mid-point, four at the late implementation stage, and five were completed. The remaining seven action items are ongoing in nature, and will be delivered through to December 2006.

This table provides information on selected accomplishments to date for each of the sustainable development strategic outcomes. Industry Canada's Sustainable Development website offers more detailed performance information on the 58 deliverables in the second Sustainable Development Strategy ([strategis.gc.ca/sd](http://strategis.gc.ca/sd)).

<p><b>Sustainable Development Strategic Outcome:</b> Innovation toward sustainable development — Increase commercialization and adoption of eco-efficient tools and technologies.</p>
<p><b>Accomplishments in 2004–05</b></p> <p>TPC approved a total of \$223 million in contributions to 13 projects involving the development or demonstration of innovative technologies that will contribute to sustainable development. TPC's contribution will leverage an additional \$593.9 million in investment from other parties, primarily from the private sector.</p> <p>The approvals included four projects that will demonstrate hydrogen and fuel cell technologies under the Hydrogen Early Adopters (h2EA) program, and nine R&amp;D projects in a variety of areas, including biomass-powered gas turbines; advanced marine data networks; nano-powdered coating for the reduction of impurities in refinery chemical reactors; environmentally superior bitumen extraction from oil sands; hydrogen fuel cell units for industrial vehicles; a mature tree propagation methodology that will enhance the forest industry's productivity and improve the sustainability of forests; and aerospace gas turbine engines that will exceed all current and future regulations, including reducing engine emissions below industry standards, reducing the production of waste products and eliminating the use of toxic materials.</p>
<p><b>Sustainable Development Strategic Outcome:</b> Corporate and community sustainability — Increase use by industry, institutions and communities of corporate responsibility and sustainability practices.</p>
<p><b>Accomplishments in 2004–2005</b></p> <p>Industry Canada supported the following corporate social responsibility initiatives, which will enhance the firms' capacity in terms of corporate social responsibility: The Conference Board of Canada's conference on corporate social responsibility in May 2004; Corporate Knights conference "Defining the Corporate Citizen"; and The Conference Board of Canada's <i>National Corporate Social Responsibility Report: Managing Risks, Leveraging Opportunities</i>.</p> <p>In the Computers for Schools program, 102,464 computers were refurbished (as opposed to being sent to landfill sites) and delivered to schools, libraries and not-for-profit learning organizations. The program also included some 320 youth placements, and approximately 1,000 co-op students and volunteers participated in the program.</p> <p>The Sustainable Cities Initiative has completed Roadmaps for 15 of 16 partner cities and established city teams for all 16 cities. This has improved understanding of city-specific challenges, identified and defined potential areas for cooperation and projects, and built relationships between municipal officials and Canadian stakeholders.</p>



**Sustainable Development Strategic Outcome:** Sustainable development capacity building within Industry Canada — Enhance the capacity of Industry Canada's sustainable development management system.

**Accomplishments in 2004–2005**

Seven "Enviro-Notes" on sustainable development issues were developed and distributed to Industry Canada employees; an environmental stewardship intranet site was redesigned, encompassing all of the Department's efforts; the Environment Week "Commuter Challenge" and Environment Canada's "One-Tonne Challenge" were also promoted to increase awareness and action by Industry Canada employees.

Senior executives were engaged in promoting sustainable development by participating and speaking at national and international events, such as the Canadian Wind Energy Association Annual Conference, Americana and BioProducts on the Hill. Other sustainable development initiatives, such as the Green Hotels Initiative, were promoted by executives (Assistant Deputy Minister-level) to employees.

A contract was finalized to refine the Results-based Accountability Framework for SDS III and a process begun for conducting a cumulative evaluation of all three of Industry Canada's sustainable development strategies.

### 3.10 Procurement and Contracting

The objective of procurement and contracting activities in Industry Canada is to obtain goods and services needed to deliver programs. These activities are conducted in a manner that enhances access, competition and fairness to all firms, and results in best value or, if appropriate, the optimal balance of overall benefits to the Crown and the Canadian people.

In Industry Canada, the contracting authority is decentralized. As a result, branches (the operational manager or some other user of purchasing services) are responsible for a wide range of purchasing activities. The following are responsible to ensure that these activities are conducted effectively:

- *Contracts and Materiel Management (CMM)*: CMM is responsible for the development of purchasing strategies, logistics planning, life cycle costing of acquisition alternatives, postings on the Government Electronic Tendering System, quality control on contracts and completing contracts, and the provision of secretariat services to the Contracts Review Board, for writing policies and providing training.
- *Contracts Review: Program and Services Board (PSB)*: The PSB serves as a forum for senior departmental officials to provide advice and support to the Comptroller in terms of corporate direction in the implementation of governmental and departmental policies, operational procedures and performance monitoring related to purchasing activities as they are to be carried out in Industry Canada.

In addition to the services it provides to the board, CMM is responsible for providing advisory services, monitoring and controlling the purchasing process to ensure its integrity with TBS and departmental policies.

In 2004, the Department awarded 11,274 contracts, valued at approximately \$87 million. This figure excludes the volume of purchases done using the acquisition cards, as well as the business volume through call-up, using Public Works and Government Services Canada standing offers or Industry Canada's own departmental standing offers.

Following the assessment of the contracting framework commissioned by the former Corporate Comptroller Branch in 2000, the Audit and Evaluation Branch is committed to conducting a contracting audit in two of Industry Canada's branches every year.

Contracting practices are also being reviewed in the context of regular scheduled audits, such as program audits and regional audits.

As a result of the assessment of Industry Canada's contracting framework, the Department has developed a management action plan to reinforce management accountability and procurement/contracting practices through control measures, training, monitoring, reporting and further review and audit scrutiny. The first step was taken in March 2001, with the establishment of a contract review board. This function is assumed by the Program and Services Board. The secretariat of this committee is held by the CMM manager of the Comptrollership and Administration Sector.

Other initiatives include the following:

- The creation of a Service Contracts Compliance Checklist, a tool that provides useful information to prepare a service contract, a call-up or an amendment. This tool ensures that government contracting activities comply with TBS and Industry Canada contracting policies and procedures.
- The review of methods of supply and tools such as standing offer agreements and supply arrangements, in order to offer program managers the best procurement strategy to effectively fulfill their needs. For example, in 2004, CMM started looking at consolidating the departmental translation requirements, as well as the in-house language training requirements. More work is required in terms of these two commodities.

### 3.11 Alternative Service Delivery (ASD)

<p><b>Radiocommunication and Broadcasting Regulatory Branch</b> Improving the efficiency of spectrum online services.</p>
<p><b>Status of ASD Proposal:</b> Ongoing <b>Implementation Date:</b> December 2005 <b>Contact:</b> Brian McManus Tel.: (613) 998-3521 Email: <a href="mailto:mcmanus.brian@ic.gc.ca">mcmanus.brian@ic.gc.ca</a></p>
<p><b>Spectrum Engineering Branch</b> Changing the fee structure to facilitate the self-marking of terminal equipment.</p>
<p><b>Status of ASD Proposal:</b> Industry Canada's labelling requirement has now been replaced by a self-marking requirement. Industry is now able to mark or emboss the Industry Canada number on all units produced, in an efficient way. A new, one-time registration fee replacing the self-marking requirement is planned for implementation in the 2005–06 fiscal year. <b>Implementation Date:</b> Fiscal year 2005–06 <b>Contact:</b> Claude Beaudoin Tel.: (613) 990-4714 Email: <a href="mailto:beaudoin.claude@ic.gc.ca">beaudoin.claude@ic.gc.ca</a></p>

## 3.12 Fuel Storage Tanks

### Status of Fuel Storage Tanks on Industry Canada-Owned Land

#### Annual Report for April 30, 2005

As required under the *Canadian Environmental Protection Act, Part IV, Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations*, this report provides the information set out in Schedule II of the aforementioned regulation, updated to December 31, 2004.

The following number of above ground storage tank systems

- are registered with Industry Canada: 0
- comply with the *Federal Aboveground Storage Tank Technical Guidelines*: 0
- do not comply with the *Federal Aboveground Storage Tank Technical Guidelines*: 0

The following number of underground storage tank systems

- are registered with Industry Canada: 3
- comply with the *Federal Underground Storage Tank Technical Guidelines*: 0

## 3.13 Horizontal Initiatives

Industry Canada is involved in a number of horizontal initiatives, in which it partners with other federal departments, other levels of government, non-governmental organizations and private sector organizations. Industry Canada's involvement in these initiatives contributes to the Department's achievement of its strategic outcomes.

Industry Canada is the lead for the following significant horizontal initiatives. More detailed information can be found on the TBS Horizontal Results website ([www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh_e.asp)):

- Canadian Biotechnology Strategy
- SchoolNet

In addition, Industry Canada is involved as a partner in the Canada Strategic Infrastructure Fund. Infrastructure Canada is the lead department for this initiative.

## Section 4:

## Other Items of Interest

## 4.1 Strengthening Management Practices

Industry Canada is committed to strengthening departmental management practices, and uses the Management Accountability Framework (MAF) as a tool for advancing its management priorities.

A key achievement for Industry Canada was the development and offering of a values and ethics session focusing on the *Values and Ethics Code for the Public Service*. The session was recommended to all staff by the Deputy Minister, the Associate Deputy Minister and other senior staff. Sessions were offered across the country and reached more than 700 employees between November 2004 and March 2005. The sessions raised awareness and understanding of values and ethics issues in the workplace, the *Values and Ethics Code for the Public Service* (a condition of employment for all public servants), and the MAF. The session was very well received throughout the Department, and continues to be available to employees. Industry Canada will continue to work on values and ethics training and initiatives in 2005–06.

Work was undertaken, and will continue in 2005–06, on other priorities of the Department's management agenda and on government-wide priorities, including human resource modernization and the integration of human resource planning and business planning, information management and information technology (IM/IT), service delivery, integrated risk management, financial stewardship and the Management, Resources and Results Structure.

## 4.2 People: Exemplary Workplace

Industry Canada met the requirements for the coming into force of the amendments to the *Public Service Labour Relations Act* on March 31, 2005, including the development of an approach to informal conflict management systems known as conflict prevention and early resolution (CPER). This included a very successful two-day session with all stakeholders, including bargaining agents, that helped to establish the CPER approach.

With respect to the implementation of the amendments to the *Public Service Employment Act* (PSEA), a consultative committee that included managers, executives, bargaining agents and other interested parties was useful throughout the year in developing policy approaches that culminated in a two-day session to design the staffing regime for Industry Canada. The work of this group will continue up to and past the coming into force of the Act on January 1, 2006. As a result, Industry Canada has a well-developed delegation document, policy framework and Staffing Management Accountability Framework in place. Overall, the Department is well equipped to move forward with an intensive training rollout for delegated managers and human resource staff, should the human resource modernization funds be approved.

The Human Resources Branch implemented a reorganization on April 1, 2005, which reflects a more modernized approach to human resources and shared services. All corporate policy and monitoring expertise is now under one director. A Human Resources Planning unit has been established in this same area, reporting to the manager who is responsible for the Demographic Unit. A small Human Resources Business Planning unit has also been established, reporting to the Director General.

The Deputy Minister approved the delegation to managers of the classification function in a manner consistent with human resource modernization approaches and principles, and the Department has moved to the new format (four-page) job description.

Industry Canada upgraded to Version 8 of PeopleSoft, and is working with other departments to assess the required changes to support the coming into force of the PSEA amendments.

A champion was established for the young professionals group in the Department, and committees continue under Assistant Deputy Minister champions to support the four employment equity groups, the Manager's Network and various other initiatives, such as Awards and Recognition.

### 4.3 Information Management and Information Technology Governance and Responsibilities in Industry Canada

Information technology (IT) and information management (IM) have become increasingly important to the Department's business, and this trend is likely to continue. Given this importance, the Department aims to ensure that it is strongly positioned to make IM/IT investment decisions that are fully consistent with departmental priorities, maximize efficiencies, and provide high levels of service.

In early 2004–05, Industry Canada undertook significant work aimed at identifying options to enhance Department-wide IM/IT management and decision making. As a result of this analysis, on November 22, 2004, the Deputy Minister announced a number of changes to the structure and governance of IM/IT services in the Department.

These changes fundamentally alter the way IM/IT is governed, managed and delivered at Industry Canada. Under the new governance structure, the ADM-level IT Governance Committee (ITGC) is responsible for ensuring that decisions related to IT investments are set in a departmental context and that they maximize efficiencies. The day-to-day management of IM/IT is the main responsibility of the Chief Information Office (CIO) Sector, which is accountable for the overall performance, effectiveness and efficiency of IM/IT services for the Department. In line with vesting authority for IM/IT with the CIO and enhancing the management and efficiency of IM/IT decision making, all IT work that had previously been undertaken across the Department will be consolidated in the CIO Sector in order to achieve economies of scale and rationalize IT spending. This consolidation will occur in two phases. The first phase was completed on April 1, 2005, and the second phase will be completed by the end of the 2005–06 fiscal year.

### 4.4 Service Improvement Initiative

Industry Canada is committed to improving service delivery to its clients. The following examples illustrate some of the Department's main achievements in improving service from a citizen-centred perspective.

#### **Strategis.gc.ca**

Strategis continued to attract significant interest from users in Canada and around the world. In 2004–05, more than 15.5 million site visits were recorded, with an average of 1.3 million monthly visits.

Significant investments were made to enhance the visitor's experience to Strategis. New information products were added, such as the Managing for Business Success portal; the Directory of Social Economy, Volunteer and Business Associations; and a portal for the Task Force on Spam. Existing sites such as the Canadian Intellectual Property Office site launched an online IP Toolkit, and consumers were introduced to the 2005 *Canadian Consumer Handbook* on the Consumer Connection site. In addition, significant investments have been made to renew the Strategis infrastructure in order to meet the ever-growing needs of users.

Subscribers to the *Strategis Headlines* weekly newsletter can keep abreast of new developments on the site via the Real Simple Syndication (RSS) feed.

An online client survey conducted in March 2005 confirmed that Strategis has a significant base of core users (those returning frequently) who agree that they are receiving good value from the site in terms of time savings, resources for informed business decisions and assistance in business planning. Survey results also indicate that an increasing number of online transactions are being conducted on Strategis for purposes such as filing an annual return, incorporating a company, or registering a trade-mark or patent. Overall, 60 percent of respondents to the survey agreed that Strategis had a positive impact on their business, while 83 percent indicated that they will return to Strategis in the future. The vast majority of users (78 percent) said that they would recommend the site to colleagues and friends.

### **Canada Business**

The Business Gateway and the Canada Business Service Centres have been consolidated into a single multi-channel access service called Canada Business. Two websites (**cbsc.org** and **businessgateway.ca**) have been combined into one online presence (**canadabusiness.gc.ca**). Organizations and budgets have been consolidated around this new arrangement.

Canada Business continues to encourage self-service access in its channel management strategy, while also offering choice for clients who need assistance. In 2004–05, there were 6.3 million visits to the Canada Business website, a year-over-year increase of 23 percent. Canada Business handled approximately 260,000 telephone, in-person and email contacts with Canadian entrepreneurs, a decrease of 11 percent from the previous year, indicating that online resources are increasingly effective in answering questions. Some regional differences exist and are shown in detailed descriptions of Canada Business performance in the annual report for 2004–05, available at **canadabusiness.gc.ca**

Canada Business also expanded a new client satisfaction survey approach to four additional locations in 2004–05, with the remaining nine locations planned for 2005–06. Results indicate a very high level of satisfaction with Canada Business information, products, services and accessibility (the average rating is 4.4 out of 5).

In addition, work continued on the redesign of the Interactive Business Planner to increase its usability and its conformance to federal accessibility standards. An online survey and consultation with regional Canada Business staff have validated the Canada Business approach to providing regulatory information to business clients in plain language, and a new desktop tool for front-line Canada Business staff has been deployed.

Measurement Canada established service standards and associated service delivery performance targets for its key services in 2000. These standards provide a clear indication of the level of service Measurement Canada is committed to providing, as well as the avenues of recourse available should a client feel that the agency is not honouring these commitments. Over the past five years, some of the service standards have been revised to reflect the results of client consultation. The service standards, as well as a service feedback form, are available online (**mc.ic.gc.ca**).

During the past five years, the focus of Measurement Canada's service improvement initiative has been to improve service delivery by increasing the number of service providers authorized to provide clients with legislated mandatory services. Measurement Canada has realized a 65-percent increase in the number of service providers authorized to verify measuring instruments on Measurement Canada's behalf (from 30 organizations in 1999–2000 to 87 in 2004–05), by expanding the scope of its Accreditation Program and introducing the Registration Program. Despite the increased use of complex measurement systems, which are more time-consuming to verify, Measurement Canada's service improvement initiative has resulted in improved service delivery without a corresponding increase in the government resources required to provide these services in accordance with client demands. For example, presently, more than 90 percent of the approximately 18 million electricity and natural gas meters are verified by authorized service providers.

Measurement Canada has also established mutual acceptance agreements with the United States, thereby providing manufacturers with the ability to select the country that best suits their service delivery needs when seeking approval to market their measuring instruments in both countries. The agency has also begun to explore participation in the International Organization of Legal Metrology (OIML) Mutual Acceptance Arrangement for measuring instruments. Within the context of this international multilateral agreement, manufacturers could obtain approval from any member country laboratory to market their measuring instrument in all member countries.

Finally, Measurement Canada is pursuing the use of quality management principles in the delivery of its key services as a means of improving service delivery. Measurement Canada's Accreditation Program is certified to the ISO 9001:2000 standard, and quality management principles form the basis for the delivery of the Registration Program. The Agency is also pursuing ISO 17025 registration of its Fluids Laboratory.

## 4.5 Section 41 of the *Official Languages Act*

In 2004–05, two major achievements of the Department were the consultative process that was established with the minority communities and the strong partnership built with the regional development organizations. In the case of the former, the dialogue has been constantly pursued at the community level, in regions and with the national coordination team in Ottawa, to ensure that information is shared and community needs and priorities are clearly understood. This dialogue has occurred and continues to occur in concert with the regional development organizations, demonstrating that Industry Canada is acting together with key stakeholders and reaching out to the communities.

The Industry Canada component of the government's Action Plan for Official Languages represented an extension of the Department's ongoing efforts to improve minority community access to existing programs and to increase community participation in these programs. During the past year, more full-time counsellors were hired to work directly with the communities, providing information on departmental programs and services. In addition, 23 official-language minority community (OLMC) projects were launched under the highly successful *Francommunautés virtuelles* program ([francommunautes.ic.gc.ca](http://francommunautes.ic.gc.ca)). The Department also worked closely with the regional development organizations to launch youth internships and tele-learning and tele-training pilot projects with universities, colleges and special organizations involved in these fields. As well, a number of projects were supported for the language industries, including those related to marketing and research, to raise awareness of the industries and their products and services to enable them to seize opportunities, both domestically and internationally. In all, in 2004–05, Industry Canada invested more than \$7.8 million on programs and activities that benefited the OLMCs. Of this amount, \$3.1 million was provided by FedNor and \$360,000 was invested by the Department toward four initiatives under the Interdepartmental Partnership with the Official-Language Communities (Ipolc).

As part of the Department's ongoing efforts and in partnership with the regional development organizations, an action plan for the 2004–08 period was developed, based on formal consultations organized by Industry Canada and the regional development organizations. For the first time, the Department and regional development organizations undertook a series of research studies to determine the investments that have been made in the communities, identify the range of networks operating in the minority communities, and pinpoint the geographical locations of the minority communities. This research, as well as approaches to more effectively integrate minority communities in departmental programs, plans, strategies and policies, was shared with the communities during the consultations in March 2005. Community reactions were very positive.

Based on the work completed to date and the community feedback, the Department has started to make a difference, but much remains to be done. Industry Canada's relationship with the minority communities is strong and the Department is committed to building on its investments and the results achieved thus far.



# Index

## A

Aboriginal Business Canada (ABC) 36, 37, 70, 89, 94  
 Aboriginal Business Development Program 70  
*Access to Information Act* 62, 63  
 Agreement on Internal Trade (AIT) 35  
 Assistive Technology 40

## B

*Bankruptcy and Insolvency Act* 15, 59  
 BIZPal 39  
 Broadband for Rural and Northern Development Pilot Program 38, 41, 71  
 BusinessGateway.ca 101

## C

CA\*net 23, 38, 73, 90  
*Canada Business Corporations Act* 15, 56  
 Canada Business Service Centres (CBSCs) 39, 101  
*Canada Cooperatives Act* 56  
*Canada Corporations Act* 15, 56, 86  
 Canada-Ontario Infrastructure Program 36, 71  
 Canada Not-for-profit Corporations Act 15  
 Canada's Innovation Strategy 77  
*Canada Small Business Financing Act* (CSBFA) 46, 47, 50, 94  
 Canada Foundation for Innovation 24, 85  
 Canadian Biotechnology Strategy 22, 98  
 Canadian Centre for Creative Technology (Shad International) 87  
*Canadian Environmental Protection Act* 98  
 Canadian Institute for Advanced Research (CIAR) 87  
 Canadian Intellectual Property Office (CIPO) 11, 14, 17, 46, 48, 49, 52, 101  
 Canadian Youth Business Foundation (CYBF) 89  
 CANARIE 23, 73, 90, 94  
 Communications Research Centre Canada (CRC) 27, 43, 50, 53  
 Community Futures Program 75, 76, 94  
*Companies' Creditors Arrangement Act* 15, 16

*Competition Act* 14, 19, 55, 56  
 Competition Bureau 8, 11, 13, 14, 19, 20, 42, 43, 55  
*Copyright Act* 15, 93  
 Corporations Canada 11, 18, 56, 57, 86

## D

*Department of Industry Act* 46, 47, 53, 55, 61, 63

## E

ebiz.enable 40  
 Eco-efficiency 21, 40  
 Enhanced Representation Initiative 32

## F

Federal Economic Development Initiative for Northern Ontario (FedNor) 2, 10, 36, 74, 76, 79, 81, 94, 102  
*Food and Drugs Act* 14, 65

## G

*Gas Inspection Act* 58  
 Genome Canada 9, 23, 90, 91  
 Government On-Line (GOL) 39

## H

Hydrogen Early Adopters Program (h2EA) 2, 9, 28, 82, 83, 95

## I

Information and Communications Technologies (ICTs) 6, 9, 17, 30, 31, 38, 73, 77, 78  
 Industrial Research Assistance Program (IRAP) 23, 83  
 International Telecommunication Union (ITU) 31, 68

## J

*Jean Chrétien Pledge to Africa* 14, 65

---

L

*Lobbyist Registration Act* 16, 63

---

M

Medical and Related Sciences (MaRS) Discovery District 69

Management Accountability Framework 99

---

O

Office of Consumer Affairs (OCA) 8, 11, 13, 17, 42, 43

Office of the Superintendent of Bankruptcy Canada (OSB) 11, 15, 18, 20, 59, 60

---

P

*Patent Act* 14, 65

Pierre Elliott Trudeau Foundation 24, 91

*Personal Information Protection and Electronic Documents Act* 65

*Privacy Act* 62

*Public Service Employment Act* 99

*Public Service Labour Relations Act* 99

---

R

*Radiocommunication Act* 61

Research and Development (R&D) 1, 2, 5, 6, 9, 21, 28, 32, 53, 54, 82, 85, 92, 94, 95

Rural and Remote Broadband Access Program 27

---

S

Section 41 of the *Official Languages Act* 102

Small and Medium-Sized Enterprises (SMEs) 10, 23, 27, 33, 34, 36, 38, 40, 41, 53, 54, 70, 73, 75, 84

*Small Business Loans Act* 46, 48, 50, 51, 84

Smart Regulation 8, 11, 12, 14, 16, 66

Softwood Industry and Community Economic Adjustment Initiative 80

SourceCAN 40

Spectrum Management 16, 18, 48, 61

Strategis 100, 101

Structured Financing Facility (SFF) 32, 81, 82

Sustainable Cities Initiative (SCI) 95

Sustainable Development Strategy (SDS) 32, 95, 96

---

T

Team Canada Inc 32

*Telecommunications Act* 16

*Textile Labelling Act* 55

Trade Team Canada Sectors (TTCSs) 32

Technology Partnerships Canada (TPC) 23, 28, 32, 43, 82, 83, 93, 95

---

U

*User Fees Act* 50

---

V

Values and Ethics 94, 99

---

W

*Weights and Measures Act* 58

---

Y

Youth Employment Strategy (YES) 77, 78