



Public Works and Government Services Canada

Performance Report

For the period ending
March 31, 1998

Canada

Improved Reporting to Parliament Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Available in Canada through your local bookseller or by mail from

Canadian Government Publishing — PWGSC

Ottawa, Canada K1A 0S9

Catalogue No. BT31-4/68-1998

ISBN 0-660-60734-4



Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 80 Departmental Performance Reports and the government's "*Managing For Results*" report.

This *Departmental Performance Report*, covering the period ending March 31, 1998, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Part III of the Main Estimates* or pilot *Report on Plans and Priorities* for 1997-98. The key result commitments for all departments and agencies are also included in *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:
<http://www.tbs-sct.gc.ca/tb/key.html>

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Public Works and Government Services Canada

Performance Report

**For the
period ending
March 31, 1998**

**Minister of Public Works and
Government Services Canada**

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THE MINISTER'S MESSAGE

The Government of Canada is focused on providing strategic leadership to promote a healthy economy, to ensure participation in a global information highway and support the development of a knowledge-based economy, and to provide Canadians with prudent, fiscally responsible government, while protecting our core values and institutions.

As the government's major common services agent, Public Works and Government Services Canada (PWGSC) plays a vital role in government. The Department provides services that support the daily operations of government, increase the efficiency of government services, help government respond to the realities of the new economy and the emerging information age, and enable government departments and agencies to focus their resources and efforts on what they do best—serve Canadians.

As this Performance Report highlights, the Department has worked successfully to provide the Crown and all Canadians with best-value services and solutions, resulting in better use of taxpayer dollars. PWGSC has improved access opportunities for businesses in its management of government contracting for goods and services, its use of innovative technologies, and its use of alternative means of service delivery which engages the private sector—all while preserving the fundamental values of prudence, integrity, transparency and fairness.

PWGSC has also provided effective, government-wide leadership in the federal government's involvement with the Information Highway, in connecting Canadians with their government, in helping government respond to the challenge of making information systems Year 2000 compliant, and in developing the infrastructure for electronic commerce and electronic service delivery to improve the efficiency and responsiveness of our services.

Throughout the year, the Department has also shown that it is about more than office buildings or contracting or using the latest technologies. It has demonstrated that it is a part of communities across the nation—people helping people in times of need. During the ice storm of '98 that ravaged eastern Ontario, Quebec and much of the Maritimes, staff worked night and day, alongside their neighbours, setting up vital communications lines, getting the emergency supplies people needed, restoring essential services quickly, and providing millions of dollars in advance payments to communities to help deal with the costs of these disasters.

There are still significant challenges ahead for the Department to meet government priorities and respond to a continually changing business environment. I am confident that we shall meet these challenges as we continue to serve the Government of Canada and all Canadians.

EXECUTIVE SUMMARY

This 1997-98 Performance Report for Public Works and Government Services Canada (PWGSC) is divided into five sections, the main messages of which are summarized below.

Section I: Departmental Overview

PWGSC is a common service agency with a mandate to provide the departments, boards and agencies of the federal government with services in support of their programs. This section describes PWGSC's mandate, objective, operating environment, and organization. Major environmental factors in 1997-98 included: increased use of alternative approaches to service delivery, including partnerships with the private sector and structural changes; new demands for services, including improved access to government and, Information Technology and Management (IM/IT) services such as electronic commerce and security; and, the need to ensure Year 2000 compliance of the Department's mission-critical systems.

Section II: Departmental Performance

This section identifies PWGSC's four strategic priorities, highlights major results, and then reports on the performance of each of the Department's main Business Lines: Real Property Services; Supply Operations Service; Receiver General; Public Service Compensation; IM/IT Common Services; Consulting and Audit Canada; Translation Bureau; Communications Coordination Services; and Operational Support. In 1997-98, the benefits that the Department provided Canadians and their government included: improved service through alternative service delivery and partnerships; significant savings; improved access to government; support to small- and medium-sized business through partnership, procurement, consulting and other initiatives including the creation of Contracts Canada and the MERX tendering system; enhanced ability to conduct business electronically, including secure support for electronic commerce; and ensuring Year 2000 compliance of essential systems. In addition to these planned activities, PWGSC employees rose to the unforeseen challenge of the ice storm of '98 by working around the clock to restore essential services.

Section III: Financial Performance

This section is composed of tables setting out the Department's financial performance.

Section IV: Consolidated Reports

This section contains reports on PWGSC's Sustainable Development Strategy, Underground Storage Tanks, and Year 2000 initiatives.

Section V: Other Information

This section provides contacts for further information, including the Department's Internet address, and a list of the Acts and Regulations that PWGSC administers.

SUMMARY OF KEY RESULTS COMMITMENTS

The Chart of Key Results Commitments below also appears in Annex B of the President of the Treasury Board's Annual Report to Parliament, *Accounting for Results*. The first column shows the major outcomes that Canadians can expect from PWGSC, and the second column outlines how PWGSC measures progress in achieving these outcomes. The third column shows the sections of this report in which the related achievements are reported.

To provide Canadians with:	To be demonstrated by:	Achievement reported in:
Best value for taxpayers' dollars in common and central services for the Government of Canada, with due regard for the important values of prudence, probity and transparency.	<ul style="list-style-type: none"> ▪ cost-effective common and central services 	Performance Report, Section II
Support for client departments and broader government objectives through the effective and efficient management of office and other real property assets, and the provision of timely, affordable expert advice and services.	<ul style="list-style-type: none"> ▪ safe, productive, affordable and environmentally sound office accommodation for government ▪ optimum government investment in real property assets including maintenance of inventory value and minimized vacant space ▪ responsive and value-added client services ▪ cost-effective partnerships and co-operative working relationships with provinces, territories and the private sector ▪ stewardship of real property assets that reflects sustainable development, accessibility for persons with disabilities, and federal presence considerations ▪ preservation of national heritage buildings, including such national treasures as the Parliament Buildings 	Section II, Real Property Services; Section IV, Sustainable Development Strategy
Supply operations services that support federal government departments through expertise in procurement and related common services, and in disposal services.	<ul style="list-style-type: none"> ▪ cost-effective delivery of procurement and related services ▪ trends in the ratio of contracts with small versus large business ▪ trends in competitive versus non-competitive procurement ▪ cost-effective disposal of surplus government assets 	Section II, Supply Operations Service
Effective Receiver General operation of the federal treasury and maintenance of the Accounts of Canada.	<ul style="list-style-type: none"> ▪ safe, secure payment delivery systems and infrastructure ▪ optimum level of direct deposit of government payments to recipients' bank accounts 	Section II, Receiver General

To provide Canadians with:	To be demonstrated by:	Achievement reported in:
	<ul style="list-style-type: none"> ▪ implementation of full accrual accounting and capitalization of fixed assets 	
Compensation services to government departments and public servants.	<ul style="list-style-type: none"> ▪ implementation of the compensation provisions of the collective agreements and policies of the federal government ▪ cost-effective payroll operations, pension plan administration, and systems infrastructure ▪ accurate payments, tax remittance, and collection of contributions 	Section II, Public Service Compensation
Effective government telecommunication and informatics services that provide integrated information management/information technology (IM/IT) business solutions to enable electronic delivery of government services.	<ul style="list-style-type: none"> ▪ Year 2000 compliant common and central services ▪ cost-effective electronic service delivery of telecommunications, computing and applications management services for government ▪ secure electronic commerce services to conduct business electronically internally within government and externally with businesses and the public 	Section II, IM/IT Common Services; Section IV, Year 2000
Consulting and audit services that improve public sector operations and management.	<ul style="list-style-type: none"> ▪ provision of consulting and audit expertise and products to federal government institutions 	Section II, Consulting and Audit Canada
Translation, interpretation and terminology services that help Parliament and the Government of Canada function in both official languages, and in other languages as required.	<ul style="list-style-type: none"> ▪ cost-effective and quality translation and interpretation services ▪ standardized and accessible official language terminology to the federal Public Service 	Section II, Translation Bureau
Communications services that provide easy public access to Government of Canada information, and that co-ordinate and support the communications activities for the Government of Canada and other government departments.	<ul style="list-style-type: none"> ▪ public access to government information through the Canada primary Internet site, depository services, toll-free inquiry services and publishing programs, including the Canada Gazette ▪ effective, timely, value-added communications co-ordination and procurement. 	Section II, Communications Coordination Services

SECTION I: DEPARTMENTAL OVERVIEW

Mandate

PWGSC is a common service agency with a mandate to provide the departments, boards and agencies of the federal government with services in support of their programs. The services provided by PWGSC are determined by a recognized common need across government or by the requirements of public policy. The Department has a responsibility to investigate and develop services which will increase the efficiency and economy of the public service and enhance integrity and efficiency in government contracting.

The Act to establish the Department of Public Works and Government Services, passed in 1996, sets out the legal authorities for PWGSC services, including: construction, maintenance and repair of public works and federal real property; provision of office accommodation and other facilities; provision of architectural and engineering advice and services; planning for and acquisition of supplies and services; planning and co-ordinating of telecommunications services; consulting and auditing services; and the provision of translation and related services. The Act makes clear the Department's authority to administer all federal real property not explicitly placed by legislation under the administration of another federal department, board, or agency. The Act also supports the Minister's responsibilities as Receiver General, and provides the authority for administrative and other services in relation to benefits, superannuation and pension plans and disbursement of pay to persons employed in the Public Service of Canada.

Departmental Objective

Our objective is to provide the best value for taxpayers' dollars in common and central services for the Government of Canada, with due regard for the important values of prudence, probity and transparency. By focusing on what the Department does best—providing cost-effective services to government—PWGSC helps departments focus on what they do best.

Operating Environment

The Department provided a wide range of services to more than 100 departments and agencies of the federal government during 1997-98. These services were provided within the terms of the PWGSC Act and a shared policy framework with the Treasury Board. Some of these services are considered central and essential to government operation, and their use is mandatory; others are optional, and their use is discretionary.

The reform of government has, in recent years, moved more services into the optional category. The new Food Inspection, and planned Parks and Revenue agencies, for example, may use increased authorities to act for themselves in common service areas. PWGSC's response has been to work with departments and agencies using a shared approach to capitalize on respective skills and capabilities, increase strategic leverage, and balance client needs with the overall government common service policy objectives.

The Department has made extensive use of the private sector to deliver services in a shared approach that provides increased leverage and economy for all partners. The opening of the Confederation Bridge between New Brunswick and Prince Edward Island on June 1, 1997, illustrates this approach: PWGSC oversaw the project, while the private sector built the bridge and provided financing. The Department has also made increasing use of a shared approach to managing large procurement projects to focus more on outcomes and make better use of private sector expertise and creativity. In addition, the Department has contracted out a significant proportion of its property-management program to the private sector.

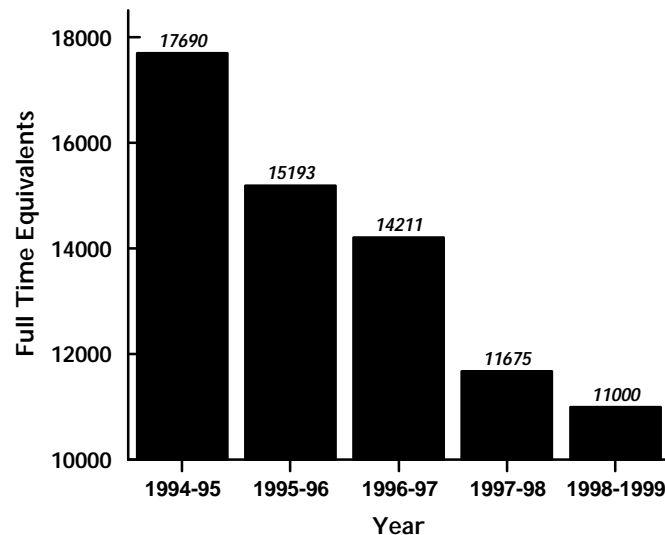
PWGSC has pursued other innovative means of organizing its service delivery. For example, it structured the Translation Bureau and Consulting and Audit Canada as "special operating agencies" that are flexible and responsive to market forces. Some services, like the Canada Communication Group, have been privatized.

The Department has also responded to new demands for services, especially in the area of improved access to government. PWGSC established and manages the government's primary Internet site, and the importance of this site for the distribution of government information has continued to grow. The recent identification of a need to better co-ordinate the government's information message led to the creation of a new Business Line, Communications Coordination Services.

The Department has experienced increased demand for services in the area of information technology and management. A major initiative has begun, aimed at ensuring the operation of mission-critical government systems, like the Receiver General and Compensation systems, over the transition to the Year 2000. Similarly, pressure has increased to extend the level of electronic commerce to provide more effective and lower cost services.

PWGSC has maintained its high level of performance despite facing major human resources management challenges over the last few years, including one of the largest workforce reductions in the Public Service. As shown in Figure 1, the number of full time equivalent employees has dropped from about 17,690 in 1994-95 to just over 11,675 in 1997-98, and will drop still further to about 11,000 in 1998-99. PWGSC also implemented a La Relève strategy to ensure workforce renewal including training, recruiting and skill upgrading opportunities to ensure the availability of the expertise and skills needed in the future.

FIGURE 1: PWGSC's WORKFORCE



Departmental Organization

PWGSC's major activities are found in the Department's Government Services Program and are organized by Business Line as follows:

- Real Property Services
 - Federal Accommodation and Holdings
 - Services
- Supply Operations Service
- Receiver General
- Public Service Compensation
- IM/IT Common Services
- Consulting and Audit Canada
- Translation Bureau
- Communications Coordination Services
- Operational Support
 - IM/IT Departmental Operations
 - Corporate Management

PWGSC's Crown Corporations Program authorizes and issues payments to certain Crown corporations pursuant to agreements approved by the Governor in Council. The Program has two Business Lines:

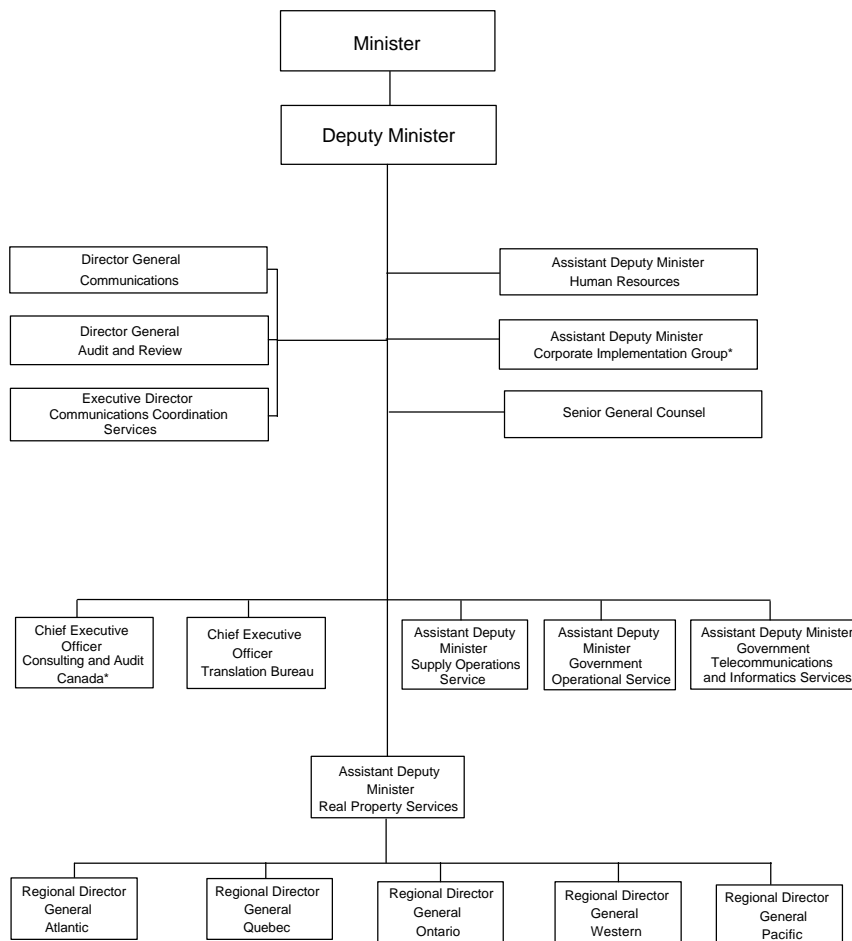
- Old Port of Montreal Corporation Inc.
- Queens Quay West Land Corporation

For the Department, 1997-98 was a transition year as it moved from an older Operational Planning Framework (OPF) to a newer Planning, Reporting and Accountability Structure (PRAS). See Table 4 in Section III for a crosswalk between the OPF and the PRAS for the Government Services Program. In addition, as described in Section II, the Communications Coordination Services was created in October 1997. The Crown Corporations Program was not affected.

The Department uses a variety of organizational and financial structures in carrying out its mandate. Departmental financial summaries presented in this Report reflect the use of appropriations and revolving funds to finance departmental activities. As detailed in Section III, appropriations are supported directly from government votes 1, 5, 10 and 15. Revolving funds facilitate a business-like approach to the costing of, and charging for, services provided on behalf of clients.

PWGSC's organization chart is shown in Figure 2.

FIGURE 2: PWGSC ORGANIZATION CHART



* Positions occupied by the same incumbent

SECTION II: DEPARTMENTAL PERFORMANCE

Performance Expectations

The Department set out four broad strategies that it pursued in 1997-98. They are interrelated and play a key role in supporting and strengthening the government's administrative processes.

To enhance contribution to government by:

- emphasizing core roles and reviewing these roles continuously;
- carrying out strategic reviews and evaluations and, as appropriate, adjusting activities in response;
- consolidating and rationalizing services within PWGSC and the government to reduce duplication and overlap; and
- looking for opportunities to share services and work as partners with other levels of government and with the private sector.

To improve services to clients by:

- promoting quality in all its services and measuring results in terms of success in meeting clients' needs;
- using service standards so clients know what to expect and have a basis for measuring the quality of service;
- using alternative methods of providing service to improve its quality and reduce costs to clients; and
- consulting with clients regularly to measure their satisfaction with PWGSC services.

To achieve savings and pursue efficiency in all operations by:

- meeting Program Review commitments, including requirements for downsizing and program changes;
- establishing new commitments to adjust to overall downsizing in government; and
- continuously reviewing programs and activities.

To build a workforce that is more flexible and responsive to the renewal needs of the Department by:

- implementing an integrated human resources strategy that focuses on employment continuity, selective skills acquisition and development;
- streamlining organizational structures; and
- developing a more supportive management culture.

Performance Accomplishments

Figure 3 highlights departmental performance over the reporting period. The Business Line summaries that follow provide a more extensive reporting on departmental activities

FIGURE 3: 1997-98 PERFORMANCE HIGHLIGHTS

PRIORITIES	SELECTED RESULTS
To enhance contribution to government	<ul style="list-style-type: none"> ▪ Continued to emphasize core roles and established contracts valued at \$170 million per annum with a private sector company for the provision of property management services for most Crown-owned buildings within the PWGSC portfolio. ▪ Established the Communications Coordination Services (CCS) Business Line to harmonize the delivery of government information to Canadians. ▪ Negotiated agreements with provincial governments for shared approaches in property management and other areas. ▪ Improved the Canada Primary Internet Site.
To improve services to clients	<ul style="list-style-type: none"> ▪ Established “Contracts Canada” in partnership with 22 government departments to provide improved information on, and facilitate access to, government contracting opportunities. ▪ Initiated MERX, a new national public sector tendering service shared by the federal government, seven provinces and many other public sector units. ▪ Established a Year 2000 Project Office to ensure the compliance of mission-critical PWGSC systems and a Year 2000 Procurement Office to assist departments to expedite contracting activities in relation to Year 2000 requirements. ▪ Continued to support the standardization of language in government publications through improved services and tools such as TERMIUM, a terminological database now used by 68 federal departments and agencies. ▪ Shared knowledge and expertise across government through initiatives such as the Shared Systems Support Centre.
To seek savings and pursue efficiency in all operations	<ul style="list-style-type: none"> ▪ Achieved scheduled Program Review targets (e.g., FTE reductions of 2,436). ▪ Saved \$80 million during 1997-98 through reducing cost of office space for public servants. This was in addition to saving \$70 million in 1996-97. ▪ Expanded direct deposit, which distributes government cheques electronically, to approximately 60 per cent of total Receiver

SECTION II: DEPARTMENTAL PERFORMANCE

PRIORITIES	SELECTED RESULTS
	<p>General payments in 1997-98 to generate \$50 million in annual savings.</p> <ul style="list-style-type: none">▪ Achieved savings of over \$4 million in the Receiver General Business Line through service standardization. This is in addition to the reduction of cheque production sites from 11 to 4 reported last year.
To build a workforce that is more flexible and responsive to the renewal needs of the Department	<ul style="list-style-type: none">▪ Prepared to meet business needs through developing a learning vision and competency profiles, and implementing recruitment and skills enhancement initiatives.▪ Promoted information sharing through the use of technology such as the departmental Intranet to which 80 per cent of employees have access.

Business Line Performance

Real Property Services

Objective To support government and clients in program delivery through the provision of expert advice and a full range of real property services on a fee-for-services basis; through the management of a diverse portfolio of office and general purpose real property and other assets in the custody of the Minister in order to provide appropriate accommodation and related value-added services, including strategic advice to federal tenants, clients and other asset users; and through optimizing the federal investment in the assets.

Description Real Property Services (RPS) Business Line activities centre on two principal functions: real property stewardship and real property services. Using a net-voted appropriation, RPS provides leadership and stewardship as custodian of federal office and common-use facilities as well as various engineering works (e.g., bridges and dams). Related to this activity, RPS provides productive work environments for some 160,000 federal public servants (100 departments and agencies) and manages an inventory of some 6.0 million square metres of space at an annual net appropriation of approximately \$1.3 billion. Included in this inventory are national treasures such as the Parliamentary Precinct and heritage assets across Canada. The custodian function also encompasses the administration, on behalf of the federal government, of Payments-in-Lieu of Taxes and the Real Property Disposition Revolving Fund, which facilitates the disposal of properties surplus to the needs of the government.

The RPS Business Line also provides expert and value-added professional and technical real property services (including architectural and engineering, real estate, and property and facilities management) to other departments and agencies. These services are provided on a fully optional basis and are charged at comparable market-based rates and managed through the RPS Revolving Fund.

Achievements for 1997-98

Innovation in Service Delivery One of the federal government's key objectives is to "get government right". This means defining new roles for government and finding new opportunities to involve the private sector in delivering services where it is feasible and desirable to do so.

RPS has contributed to this objective since 1995 through an approach to providing services called "Alternative Forms of Delivery" (AFD). Through this approach, we have increased the amount of business we do with the private sector. Specifically, we have contracted out a number of operational property management, and architectural and engineering services. At the same time, by using AFD, we remain accountable for the

performance of our real property program and the quality of service to clients, while reducing the cost of operating the buildings for which we are responsible. By contracting out various operational activities, we can focus on building a more strategic role as the government's real property advisor.

The AFD approach has paid off. The relationship between RPS and the real property industry and its associations has improved dramatically: RPS is no longer viewed as a real or perceived competitor of the private sector. Instead, it is seen as a "knowledgeable customer" for those services that the private sector can provide at a lower cost. For example, in March 1998, we entered into a series of contracts with Brookfield Lepage Johnson Controls to provide property management services for most of the Crown-owned buildings in our portfolio.

Building a more strategic role for the government's real property management.

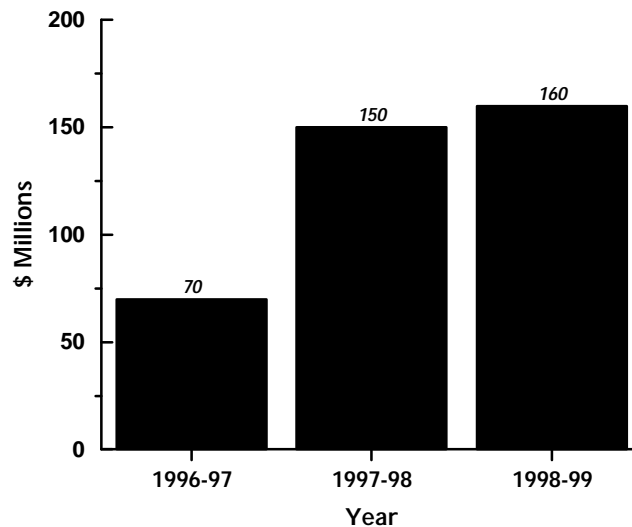
These contracts will produce substantial benefits. First, they will save the government (and Canadian taxpayers) 10 per cent or \$20 million annually in property-management costs. These savings can be re-invested to ensure that federal assets are properly maintained and their value preserved. Second, they will contribute to a better environment through their provisions for sustainable development and environmental management.

Another innovative mechanism we developed, in 1996, was the Management Advisory Board consisting of representatives from 11 departments and the Treasury Board Secretariat. In 1997-98, the Management Advisory Board examined ways to reduce duplication and overlap, and make better use of under-utilized federal property. The Board represents a significant step forward in terms of effective real property asset management through co-operative efforts among federal departments.

Managing Government Office Space Two areas were particularly important for RPS in 1997-98:

- **Office Accommodation:** As shown in Figure 4, RPS has produced significant savings for Canadians by reducing public service accommodation costs. In 1996-97, we saved \$70 million by reducing the amount of space being used and through operating more efficiently. In 1997-98, we generated another \$80 million in annual savings, and we will complete our Program Review commitments with yet further annual savings of \$10 million in 1998-99. The cumulative annual savings of \$160 million will continue.

FIGURE 4: ACCOMMODATION SAVINGS



- The Federal Buildings Initiative (FBI):** The FBI enables departments to make their facilities more energy-efficient at no cost to taxpayers. Under the FBI, which Natural Resources Canada developed and we implemented for our inventory, private sector firms install energy-saving equipment in federal buildings and carry out other steps to reduce energy consumption. The savings from lower energy bills pay for this work. In 1997-98, we signed 11 new contracts with energy-service companies involving \$14 million in energy investment by the private sector. These contracts have produced both economic and environmental benefits. They have strengthened the energy-service industry, created 310 jobs, and generated \$2.5 million in annual savings for the government and taxpayers. They have also reduced energy consumption and thereby reduced pressure on the environment.

Managing Revolving Funds RPS manages two revolving funds: The Real Property Services Revolving Fund and the Real Property Disposition Revolving Fund. In 1997-98, we managed a business volume of \$2.5 billion through the Services Revolving Fund in providing professional and technical real property services. Most of this business volume (86 per cent), although managed and co-ordinated by RPS, is delivered by the private sector.

The Services Revolving Fund had a net cash deficit of \$37.3 million in 1997-98. This was a result of expenditures of approximately \$26 million employee departure initiatives, and increased systems costs of about \$6 million. The remaining shortfall was due to decreased revenues as a result of our transition to Alternative Forms of Delivery (AFD) for property management services. Although AFD is designed to save money over the long term, the transition will create a shortfall for the Fund in the short term. In response, we are reviewing our funding framework and charging practices.

The Real Property Disposition Revolving Fund relates to the disposal of surplus federal properties. In 1997-98, this Fund realized a cash surplus of \$16.8 million, and we forecast a cash surplus of \$20.9 million for 1998-99.

Supporting Broader Government Objectives The following areas were particularly important to RPS in 1997-98:

- **Supporting Small Business:** While RPS does not have programs that specifically target small- and medium-size firms, we deliver a large part of our services through contracts with such businesses. We have also been working with national architectural and engineering associations to help small- and medium-size firms gain access to projects available through the Department.
- **Ice Storm Support:** When the “ice storm of the century” hit Eastern Canada in early January 1998, RPS joined the effort to restore normalcy and alleviate hardship. We mobilized our emergency operations to maintain essential services to government and to help members of the general public. We acquired hundreds of generators from governments and companies in various parts of North America and shipped them to devastated areas. Our technical staff helped restore power, and we offered municipalities advance payments in lieu of taxes to help with storm-related expenses.
- **Sustainable Development:** By virtue of our mandate, RPS is uniquely placed to support the departmental and government-wide commitment to sustainable development. In 1997-98, this support was reflected in our waste management, water conservation, energy efficiency, and lands management initiatives. For more detailed information, see Section IV of this report.

FIGURE 5: REAL PROPERTY SERVICES

(millions of dollars)

Service Line	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
<i>Votes</i>			
Federal Accommodation and Holdings			
Gross Expenditures	1,843.2	2,037.4	1,967.0
Less: Revenue credited to the Vote	681.8	706.6	714.8
Net Expenditures	1,161.4	1,330.8	1,252.2
<i>Revolving Funds</i>			
Services			
<i>- Real Property Services Revolving Fund</i>			
Gross Expenditures	2,151.1	2,160.0	2,548.3
Less: Revenue	2,153.7	2,153.7	2,511.0
Net Resources (Provided) Used	(2.6)	6.3	37.3
<i>- Real Property Disposition Revolving Fund</i>			
Gross Expenditures	8.1	8.1	5.1
Less: Revenue	27.7	27.7	21.9
Net Resources (Provided) Used	(19.6)	(19.6)	(16.8)
Total Services	(22.2)	(13.3)	20.5
Total Real Property Services	1,139.2	1,317.5	1,272.7

Supply Operations Service

Objective To provide quality procurement and procurement-related common services to federal government departments and to provide quality disposal services for federal government departments.

Description The Supply component provides common services for acquiring goods and services on behalf of the federal government. It manages the supply process by assisting client departments with requirements definition, undertaking bid solicitation, evaluation and selection, and contract negotiation and administration. It also provides auxiliary services such as market research to identify what products are available from suppliers; product planning; method-of-supply studies; maintenance of a statistical data base and reporting capability; policy framework; review and promulgation; and the technological infrastructure to support the electronic procurement function. In addition, Supply encompasses responsibility for all procurement-related aspects of Major Crown Projects.

Supply also includes certain specialized activities: marine inspection and technical services; cost analysis support; management of Crown-owned production assets; industrial security and personal security screening services for PWGSC and industry; development and maintenance of consensus standards and conformity assessment services; management of seized property (assets seized as a result of being obtained from the proceeds of crime); central freight, travel management, and household goods removal services; and, transportation advisory services.

Benefits-Driven Procurement: innovative steps to manage complexity and risk.

The Crown Assets Distribution (CAD) component provides disposal services for all federal government departments and agencies. Disposal methods include sale, transfer, trade-in, donation, lease, loan and destruction. Client departments receive 100 per cent of the net proceeds from the sale of surplus assets (gross proceeds less direct selling expenses and commissions), with the exception of seized assets.

Figures 6 and 7 show our major customers and commodities as reflected by dollar value.

FIGURE 6: 1997-98 MAJOR COMMODITIES
(\$ Millions)

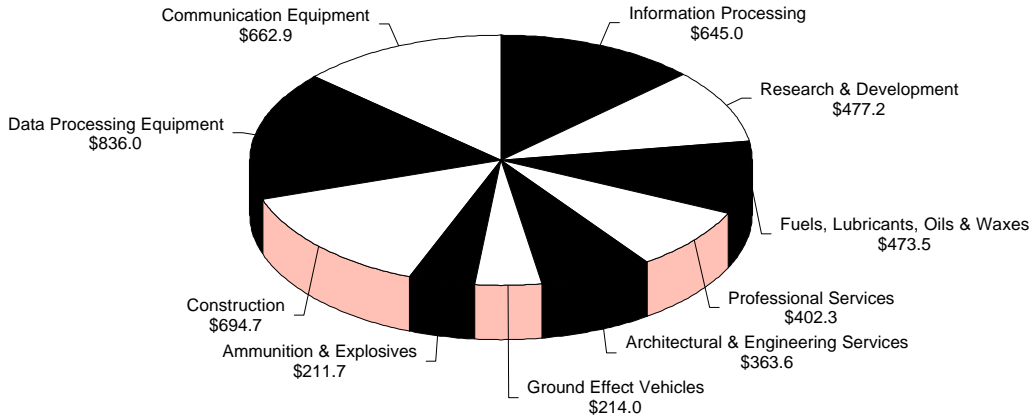
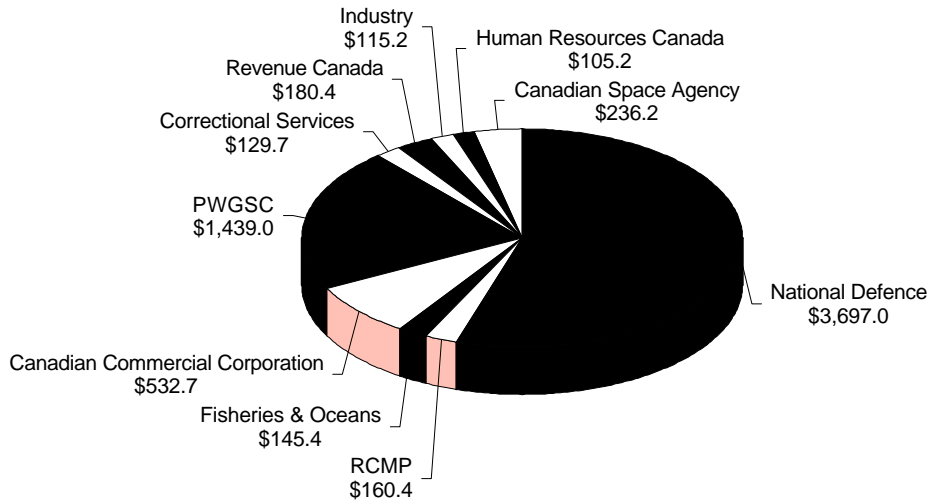
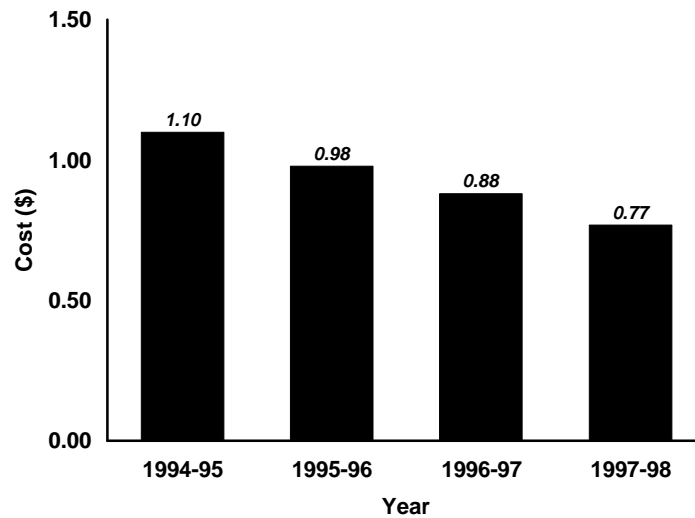


FIGURE 7: 1997-98 MAJOR CUSTOMERS
(\$ Millions)



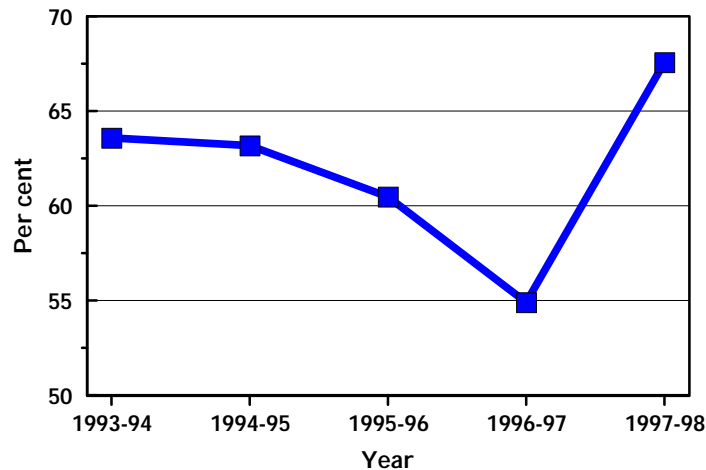
Achievements for 1997-98

Reducing Costs SOS has implemented a number of initiatives over the years to reduce costs and increase efficiency. As shown in Figure 8, these initiatives have resulted in a 30 per cent decline in the cost of our contracting activity—down from \$1.10 per \$100 of business volume in 1994-95 to \$0.77 in 1997-98.

FIGURE 8: OVERHEAD COST PER \$100 OF BUSINESS VOLUME

Supplier Information and Services In the spring of 1997, the Standing Committee on Government Operations published the findings of its review of government contracting. The focus of the report was to identify issues affecting small- and medium-size enterprises and provide recommendations for dealing with these issues. In response, SOS led the development and launch of Contracts Canada, an interdepartmental initiative to provide businesses with free access to information on government contracting opportunities and on what and how government buys. Contracts Canada explains how to do business with the Government of Canada and access our data base of contract opportunities, and provides useful reference material. Businesses can also register on our supplier and vendor rotation lists.

Ensuring that companies have information about contracting opportunities and government requirements is one of the main steps we are taking to help companies gain better access to business opportunities. Accordingly, we ran over 250 “How to do Business with the Government of Canada” seminars in 1997-98. The encouraging results are reflected in Figure 9, which shows an increase in the proportion of contracts awarded to small businesses in 1997-98. The decline in preceding years reflects a reduction in the number of low-dollar value contracts administered on behalf of client departments, rather than a decline in the percentage of government contracts awarded to small business.

FIGURE 9: PERCENTAGE OF CONTRACTS TO SMALL BUSINESS

National Electronic Tendering Service In October of 1997, SOS introduced MERX, a national, public sector electronic tendering service, run by a private sector firm. MERX is the result of a federal/provincial effort to provide businesses with a single, low-cost, on-line, easily accessible window on all opportunities to do business with all levels of government.

One of the most advanced and open opportunities-advertising systems of its kind in the world, MERX is now the official source for all competitively tendered business opportunities with the federal government, as well as with seven provinces, and more than 150 municipalities, schools and hospitals. Over 85 per cent of the contracts awarded in 1997-98 were competitive.

Getting MERX up and running was a challenge in view of the extensive interdepartmental, intergovernmental and public/private sector co-operation required. Despite delayed implementation, MERX has produced clear benefits: firms and individuals have gained better, more open access to tens of billions of dollars in contract opportunities across the public sector in Canada and, since MERX advertises NAFTA and WTO-AGP opportunities, businesses can also tap into the world market.

Subscription costs for suppliers have decreased by more than 18 per cent with the introduction of MERX, and fees will decrease each year for the next five years.

Procurement Strategy for Aboriginal Business SOS has worked to promote procurement opportunities for Aboriginal business and assist other departments in realizing their objectives under the Procurement Strategy for Aboriginal Business. In 1997-98 we held 39 seminars to tell Aboriginal suppliers how to do business with the government; brought together federal, provincial and Aboriginal representatives to identify and pursue undertakings contributing to the economic development of Aboriginal people; set aside a proportion of our corporate purchases for Aboriginal suppliers (rising from one

per cent in 1997 to three per cent in 1999); and amended the Contracts Canada Web site to promote Aboriginal business. So far, 425 Aboriginal businesses have registered themselves on-line.

We issued 547 contracts with a value of \$2.3 million under the “set aside” program for Aboriginal suppliers. This exceeded our departmental target of 300 contracts, but fell short of our other target of issuing contracts with a value of \$3.8 million.

Benefits-Driven Procurement SOS initiated an innovative contracting approach known as Benefits-Driven Procurement (BDP) to manage the complexities and risks associated with major procurement projects.

Based on private sector practices for major Information Management /Information Technology projects, BDP achieves government objectives by focusing on key principles, accountabilities, responsibilities and outcomes, rather than on details of how the work is to be conducted. BDP taps the strengths of the private sector—its expertise and creativity in coming up with solutions that meet government’s needs—while protecting the public interest and scarce government resources.

In 1997-98, the IT Procurement Reform Steering Committee approved a concept paper setting out a policy framework. We prepared tool kits, case studies, business case and risk-assessment guides for a variety of audiences. We also created working groups of government and industry officials to help refine BDP and define expectations and roles.

Work will continue on BDP in 1998 to expand its application to other commodities and to establish a centre of BDP excellence for sharing knowledge, experience, and methods with the entire government procurement community.

Sustainable Development Strategy PWGSC is committed to sustainable development. In SOS we pursued this commitment in two main ways. First, we helped to stimulate the procurement of environmentally responsible services and products across government. Second, we reduced the size of our fleet of vehicles and developed an action plan to improve environmental practices and the fleet’s efficiency, increase the use of cleaner, alternative fuels, and develop and improve collection and monitoring systems. For more details, see Section IV of this report.

FIGURE 10: SUPPLY OPERATIONS SERVICE

(millions of dollars)

	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
<i>Vote</i>			
Gross Expenditures	143.2	170.2	174.9
Less: Revenue credited to the Vote	18.1	18.1	23.6
Net Expenditures	125.0	152.1	151.3
<i>Optional Services Revolving Fund</i>			
Gross Expenditures	110.1	110.1	106.6
Less: Revenue	109.8	109.8	98.4
Net Resources (Provided) Used	0.3	0.3	8.2
Total Supply Operations Service	125.4	152.4	159.4

Receiver General

Objective To manage the operations of the federal treasury, including issuing Receiver General payments for major government programs, and to maintain the Accounts of Canada and produce the government's financial statements.

Description The Receiver General Business Line is responsible for the receipt, transfer, holding, disbursement, reconciliation and monitoring of public money on behalf of the Government of Canada. The Business Line issues Receiver General payments, redeems and validates these instruments and Employment Insurance Warrants. It maintains the Accounts of Canada and provides interim reports, produces the Public Accounts of Canada and maintains the Central Accounting System. As a derivative of the above activity, the Receiver General provides optional related financial services to departments and agencies.

Achievements for 1997-98

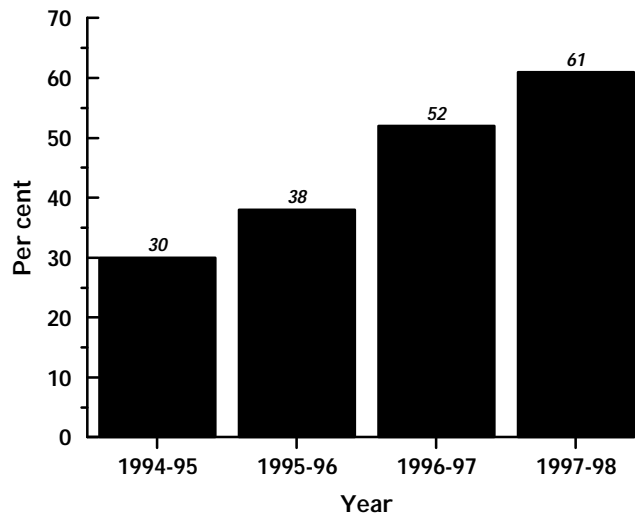
Expanding the Direct Deposit Program Under this program, government payments are electronically deposited to recipients' accounts. In 1997-98, we carried out two publicity campaigns, through cheque inserts and mailings, to encourage Canadians to sign up for direct deposit. As a result, direct deposit increased by 9.1 per cent to 60.5 per cent of the more than 196 million payments made in 1997-98.

Direct deposit saves government postage, paper, and banking fees: \$51.9 million in 1997-98, up \$8.4 million from the previous year. As important, using direct deposit rather than cheques provides Canadians a more secure, reliable, and convenient method of receiving government payments. Evidence of this was provided in 1997-98 as Canadians on the direct deposit program received their payments on time despite such emergencies as the flooding in Manitoba and the ice storm in Ontario and Quebec.

*Direct deposit saved
Canadians over
\$50 million in
1997-98.*

We have collaborated with other departments and five provinces to combine payments. For example, we make just one payment for entitlements under both the federal Old Age Security/Guaranteed Income Supplement program and Saskatchewan's Income Program. More than 50 per cent of these payments were made through direct deposit.

Direct deposit also supports sustainable development. In 1997-98, direct deposit saved 1.6 million kilograms of paper. In turn, this paper reduction has produced environmental benefits, including a reduced demand for raw materials and energy. Figure 11 shows the increase in direct deposit in recent years.

FIGURE 11: PERCENTAGE OF RECEIVER GENERAL PAYMENTS MADE BY DIRECT DEPOSIT

Streamlining the Payment System We improved the efficiency of the payment system and reduced costs by negotiating with client departments to streamline and standardize services. The initiative permitted a significant consolidation of regional offices (reported on last year) and introduced increased efficiencies that have combined to reduce the regional workforce by 130 positions and generate ongoing annual savings of \$4.2 million.

Improving Financial Management As a key part of the government-wide Financial Information Strategy (FIS), the Central Financial Management and Reporting System (CFMRS) will support the implementation of accrual accounting and provide meaningful, timely and relevant monthly financial management information to central agencies and departments. During 1997-98, we developed a CFMRS prototype on time and within budget, and secured approval to proceed with a FIS Pilot utilizing CFMRS.

Year 2000 The Receiver General function relies on a number of automated systems that the government has identified as mission-critical in terms of Year 2000 readiness. Our Standard Payment System, which issues most Receiver General payments, was tested and certified as Year 2000 compliant. The Central Accounting System was also tested and will require some modifications to the underlying Cobol code.

We also initiated the certification testing of the CFMRS, and modified the remaining small payment systems and the Bank Facilities System. We expect to have made all the necessary changes, and tested them with program departments and financial institutions, by the end of 1998-99.

FIGURE 12: RECEIVER GENERAL

(millions of dollars)

	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Vote			
Gross Expenditures	136.2	124.5	129.2
Less: Revenue credited to the Vote	17.1	17.1	29.8
Total Receiver General	119.1	107.4	99.4

Public Service Compensation

Objective To provide cost-effective, accurate, and timely common services, including payments and account processing, in the areas of payroll, benefits and pension plan administration.

Description Public Service Compensation administers government payroll and pension processes, including the development and maintenance of computer systems and a national service office infrastructure, in order to allow departments to administer pay and benefits in accordance with the collective agreements and compensation policies established by Treasury Board and for the purpose of the administration of the Public Service Superannuation Act (PSSA). It also provides specialized pension services to National Defence and the Royal Canadian Mounted Police (RCMP) for the administration of their plans.

Achievements for 1997-98

Service Delivery The Public Service Compensation achievements outlined below should not obscure the fact that our most significant achievement is also our major ongoing responsibility: getting the payments out, in the right amounts and on time, in respect of 225,000 payroll accounts and over 210,000 pension annuitants while ensuring accurate remittance of taxes and collection of contributions.

Supporting Government Initiatives and Reform In 1997-98, the Public Service Compensation Business Line supported the government's adoption of Alternative Service Delivery (ASD) mechanisms through the payroll and pension administration support we provided in connection with the new Food Inspection Agency, the privatization of the Canada Communication Group, the transfer of almost \$1 billion from the Public Service Superannuation Account to Navcan, and support for Human Resources and Development Canada's labour market transfer to the provinces. We also provided payroll and pension support to the government's early retirement and early departure incentive programs.

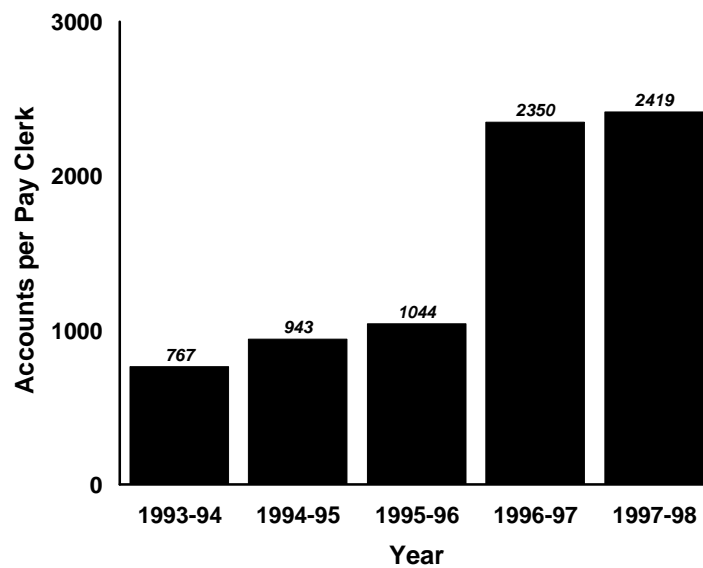
Public Service Compensation provides seamless, cost-effective implementation of government's payroll and pension administration changes.

During the year we also planned and prepared for the impact on our payroll and pension activities of other ASD initiatives (the creation of the Canada Customs and Revenue Agency, and the Parks Agency) and such other reforms as pay equity; revisions to the Public Service, RCMP and DND pension plans; and the universal classification standard.

Of course, we also carried out our ongoing responsibilities to make adjustments in accordance with federal and provincial budget measures, including changes to the Canada and Quebec Pension Plans, and implemented pension transfer value regulations that increase pension portability. In this connection, we provided training to 1,800 pay and benefit specialists across government on the changes to pension regulations and on the productivity improvements mentioned below.

Productivity Improvements As part of our productivity initiative, which included the streamlining of payroll services reported last year, we published new service standards negotiated with client departments and implemented a number of efficiencies. The productivity initiative, coupled with the reduced size of the Public Service, allowed us to halve the number of our service delivery sites from 12 to 6, and reduce the number of pay clerks from 351 to 93 over the last few years. As shown in Figure 13, these measures have enabled us to triple the productivity of our pay clerks from 767 accounts per clerk in 1993-94 to over 2,400 in 1997-98.

FIGURE 13: INCREASED PRODUCTIVITY



Year 2000 The public service payroll system has been identified as one of the government's mission-critical systems with respect to Year 2000 readiness. We completed a review of our computer infrastructure and implemented a testing protocol for our systems. Work is on schedule to ensure that all payroll systems will function correctly following the turn of the century.

FIGURE 14: PUBLIC SERVICE COMPENSATION

(millions of dollars)

	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Vote			
Gross Expenditures	39.2	56.3	50.4
Less: Revenue credited to the Vote	9.1	9.1	3.5
Total Public Service Compensation	30.1	47.2	47.0

IM/IT - Common Services

Objective To provide integrated Information Management/Information Technology (IM/IT) business solutions to enable electronic delivery of government services.

Description The IM/IT Common Services Business Line manages the delivery of common IM/IT and electronic commerce infrastructure enabling federal departments and agencies to engage in electronic service delivery. It also provides leadership in supporting government initiatives to solve fundamental IM/IT issues, such as the Year 2000 business continuity imperative. The IM/IT Common Services Business Line offers the following types of common services:

- Electronic Service Delivery, which provides Electronic Commerce capabilities and integrated IM/IT solutions to transform traditional program delivery to client-centric electronic service delivery;
- Telecommunications, which provides basic transport services enabling the transfer of government information;
- Computing, which provides a unified and interoperable workstation and computing environment integrating applications, information and computing tools; and
- Applications Management, which provides and integrates services for common support applications and government-wide services.

Achievements for 1997-98

Managing Year 2000 Readiness IM/IT Common Services oversees the Department's Year 2000 readiness activities. In 1996 we instituted the Year 2000 Project Office, which has been working ever since to ensure the Year 2000 compliance of all PWGSC's "mission-critical" systems, the 34 systems that provide essential services to Canadians. As a result, PWGSC is on schedule to complete the conversion of these systems by December 1998 and to have them certified as Year 2000-compliant by June 1999. For additional information on Year 2000 activities, see Section IV.

We also carried out important activities on behalf of other government departments to ensure that their critical systems remain functional beyond the Year 2000. By chairing the Year 2000 Interdepartmental Working Group Sub-committee on Telecommunications, we assumed leadership in representing the concerns of departments to the telecommunications industry and regulator. Additionally, we used the Internet to share information obtained from government suppliers on the Year 2000 compliance of their products.

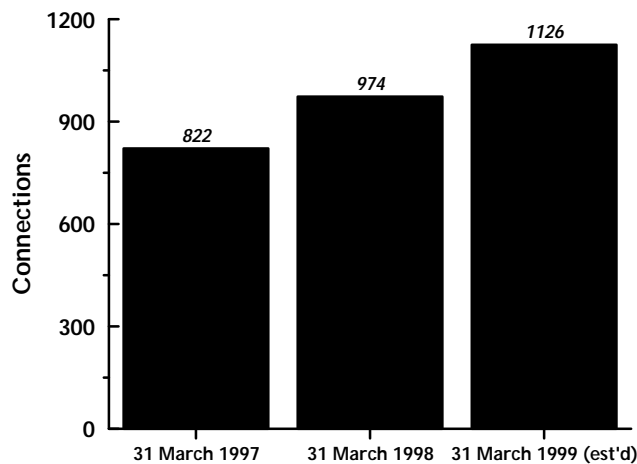
Management of Ongoing Service Commitments IM/IT Common Services provides the government's electronic messaging system. The system enables the rapid movement

of information among government departments and their external clients. One of the most modern in the world, it enables dissimilar messaging systems supplied by a variety of vendors to exchange information and connect over 200,000 public servants. Statistics reveal success on two fronts: use continues to grow by about 8.5 per cent a month, and the fact that 25 per cent of messages are exchanged outside the federal government suggests the system provides Canadians and businesses effective means to connect with government.

In 1996, in response to telecommunications deregulation in Canada, we established a new arrangement for buying government telecommunications services competitively from the private sector. This arrangement, for which eight service suppliers are currently qualified, generated over \$33 million in procurement savings for government in 1997-98.

IM/IT Common Services manages the Government Enterprise Network (GENet). GENet is the foundation for the government's portion of the Information Highway and currently links the autonomous networks of 91 federal agencies and four provincial governments. The recognition of GENet's value is indicated by the growing number of users and connections: seven new agencies were linked in 1997-98 and, as shown in Figure 15, the total number of connections increased by 18 per cent between March 1997 and March 1998.

FIGURE 15: GENET CONNECTIONS



In addition to managing common networks used by all departments, we provide network management services for 10 departments. Being able to rely on our network expertise frees our client departments to concentrate on program delivery. In 1997-98, Fisheries and Oceans Canada chose us to manage its entire national network and realized cost savings of 30 per cent.

Twenty-two federal agencies have now selected us to provide data centre management services. To improve performance, we consolidated our three data centres into two, installed more efficient equipment and contracted out specific functions to the private sector. Not only has this led to improved service for our client departments, it has generated annual savings of some \$12 million. An independent assessment concluded that the cost of our data centre service is well below industry averages. In 1997-98 we continued to exploit the efficiency and security of the service by taking on such additional work for our clients as the operation of government Internet and Intranet environments, which were previously operated on facilities scattered throughout departments.

IM/IT Common Services saved \$33 million in 1997-98 by making new arrangements to buy private sector services after telecommunications deregulation.

Electronic Commerce and Electronic Service Delivery Infrastructure IM/IT Common Services provided the following range of services to help the federal government transact business and deliver services electronically:

- ***Our electronic delivery infrastructure*** service enables private organizations to conduct business with government departments through a single convenient service that converts information in different formats from different business systems. The success of this service is indicated by its increased use: the number of electronic transactions rose from 5,000 per month at the beginning of 1997-98 to 80,000 by year end. Statistics Canada, for example, used the service to collect payroll and customs information from private sector companies, while Fisheries and Oceans Canada and Citizenship and Immigration Canada used it to collect non-tax revenues. PWGSC also used the service to introduce a more efficient procurement system that involves employees using commercial credit cards, and which is expected to save taxpayers some \$3 million annually when fully implemented. We estimate that the overall savings for departments using this service will amount to \$20 million over two years. In recognition of its value, the service was awarded the Distinguished Service Gold Medal at Canada's largest government computer conference, GTEC '97.
- ***Our Public Key Infrastructure (PKI)*** service is essential to provide secure government electronic transactions. A key promoter of PKI within government, IM/IT Common Services has established a common service that provides the security features necessary for conducting business transactions electronically. We estimate this common service will generate significant savings for government: about \$700,000 in one-time development expenses and \$300,000 in annual operational costs for each department.
- ***Our electronic directory*** service promotes access to government information by integrating information on federal agencies and some 200,000 federal and provincial public servants. The service enables government and non-government users to use the Internet to obtain information on federal organizations and

employees. The directory receives over 28,000 hits a day, up 25 per cent over last year. Sixty per cent of these hits come from business, universities, provincial and municipal governments and foreign organizations. As well as providing Canadians with direct access to government, our service supports sustainable development by eliminating paper directories, and greatly reduces printing and production costs.

FIGURE 16: IM/IT - COMMON SERVICES

(millions of dollars)

	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
<i>Government Telecommunications and Informatics Services Revolving Fund</i>			
Gross Expenditures	318.4	318.4	412.4
Less: Revenue	318.4	318.4	410.2
Net Resources (Provided) Used	-	-	2.2

Consulting and Audit Canada

Objective To make a leading contribution, through our staff and the services they provide, to the improvement of public sector management and operations in Canada and abroad; and to balance the costs of operating Consulting and Audit Canada with the revenues received from charging clients for services.

Description Consulting and Audit Canada (CAC) is a Special Operating Agency that provides, on an optional fee-for-service basis, consulting and audit services to federal departments and agencies across Canada. Services may also be made available to foreign governments and international organizations. Clients are assisted in providing better service through improvements to public sector management, operations and administration, while meeting the priorities and needs of government. CAC stresses excellence in client service and the sharing of public sector expertise. Audit and related services are provided on request and include management-oriented special projects, assurance reviews, internal audit support, and EDP and information systems audits as well as cost, contribution and regulatory audit services. Consulting services are also available on request. These include program evaluation and operational review, organization and program management; project management, information management, shared systems support, economic and regulatory services, environmental management; conflict management and organizational development services, financial management, innovative management and service delivery, and international services.

Achievements for 1997-98

Contributions To Improving Public Sector Management And Operations In carrying out our many consulting and audit projects with client departments and agencies, CAC has developed a significant body of knowledge and expertise. CAC's philosophy is to share that knowledge and expertise as widely as possible with public sector managers. We do this through our publications, participating in government-wide committees, making presentations at conferences, participating in shared and horizontal projects, providing support to Central Agencies and developing new products and services relevant to departments.

CAC improves public sector management practices through innovative products and services.

CAC has provided management tools that help departments to deliver improved and/or more economical services to Canadians. For example, CAC:

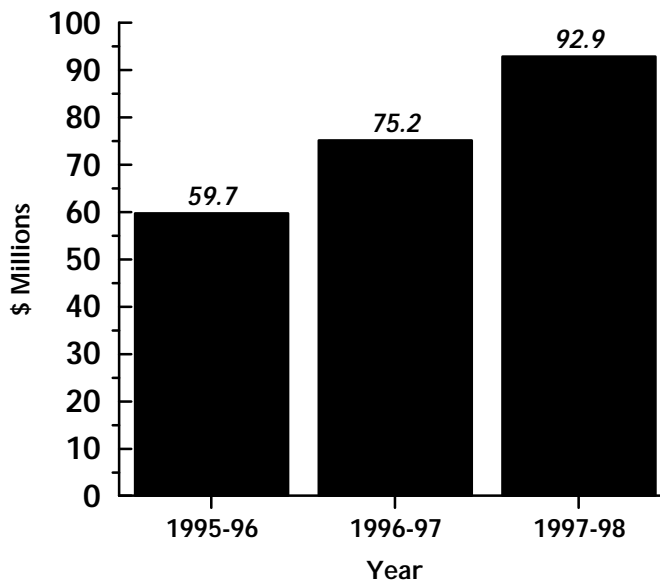
- has developed audit review programs that will help Emergency Preparedness Canada to transfer disaster relief funds to all provinces and territories without delay;

- manages the Shared Systems Support Centre that enables departments to develop and share common systems across government, thus reducing the cost of these systems; and,
- developed audit programs of Major Crown Projects to verify the cost of such projects in the public interest.

Internal Communications Initiatives to improve our internal liaison have produced two beneficial outcomes. First, CAC can pursue a more interdisciplinary approach, resulting in better advice and service to clients. Second, using technology to create stronger links and an improved flow of information between headquarters and the regions has allowed the regions to respond more quickly to local requests for service. Regional staff can more readily tap headquarters expertise when working in the field, and vice versa.

Financial Self-Sufficiency As a result of increased internal efficiency and substantially higher revenues, we made substantial progress against our commitment to achieving financial self sufficiency. Internal efficiencies, which saved us \$2.7 million in 1997-98, have reduced our overhead in the last two years to levels 19 per cent lower than in 1994-95. At the same time, our revenues have increased from about \$60 million in 1995-96 to approximately \$93 million in 1997-98, as shown in Figure 17, and our operating surplus rose to \$2.7 million.

FIGURE 17: CAC REVENUES



Another important factor in our revenue growth is the growing level of support we provide to small- and medium-size enterprises (SMEs). In 1997-98, we gave private sector contractors approximately \$58 million in business, 99 per cent of which represented contracts with SMEs. Involving SMEs in CAC projects has enabled these firms to gain

valuable exposure to government projects and the government environment. We should note that we do not compete with the private sector; rather, we facilitate public-private sector partnering.

FIGURE 18: CONSULTING AND AUDIT CANADA

(millions of dollars)

	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
<i>Consulting and Audit Canada Revolving Fund</i>			
Gross Expenditures	45.8	48.7	89.8
Less: Revenues	46.7	46.7	92.9
Net Resources (Provided) Used	(0.9)	2.0	(3.1)

Translation Bureau

Objective To provide quality and cost-effective translation, interpretation and terminology products and services to Parliament, the judiciary, and federal departments and agencies; upon request, provide those products and services to other governments in Canada and to international organizations; and to balance the costs of operating the Bureau with income from appropriation and revenues received for products and services.

Description The Translation Bureau was established as a Special Operating Agency in April 1995. The Bureau's translation services (official languages and over 100 other languages) to other federal government departments and agencies are optional and are provided on a cost-recovery basis. It receives vote funding for providing translation and interpretation services to Parliament and for supplying other government departments and agencies with standardized terminology and certain conference interpretation services. The Bureau maintains the mandate to standardize the use of terminology in the federal public service.

Achievements for 1997-98

Meeting the Needs and Expectations of Clients The Bureau provided quality and cost-effective translation, interpretation and terminology services to clients. This was reflected in positive feedback in client surveys and supported by a steadily increasing business volume and a growing client list. Not only have we increased our business volume by about 10 per cent a year since 1995-96, but three client surveys in 1997-98 revealed that over 90 per cent of our clients were either "very" or "fully" satisfied with our services.

Current surveys reveal a 90 per cent approval rating. Quality pays off!

We also helped clients communicate effectively with Canadians in the official language of their choice with our translation and interpretation services, and by providing tools such as TERMIUM, a terminological database now used by 68 federal departments and agencies. We have also collaborated with the Office de la langue française in Québec to harmonize and standardize terminology and carry out joint publishing ventures.

These efforts and others contribute to the promotion of Canada's linguistic duality and support our official language minorities.

Maintaining Client Loyalty and Increasing Our Share of the Federal Market for Translation In 1997-98 we worked hard to build loyalty and increase our share of the translation market. For example, we introduced a more flexible service approach, personalized service agreements, and a flexible price structure. Figure 19 reveals the results: in 1997-98, we generated about \$112 million dollars in revenue, an increase of about \$11 million from 1996-97.

One of the ways we continue to improve our services is through the implementation of new technological tools. In 1997-98, this included testing voice-recognition software. We completed the first phase of testing with very positive results in terms of reduced turnaround time and processing costs.

Reaching Financial Goals The Bureau made significant progress in meeting its commitment to deficit elimination. Our operating deficit for 1997-98 was \$4.3 million, approximately \$3.3 million below the deficit authorized by Treasury Board. We have exceeded our financial objectives for three consecutive years. We have made this progress by virtue of increased business and efforts to reduce expenditures and increase productivity through improved workflow and service models. In 1997-98 we reduced our overhead to our lowest level ever—just 11.7 per cent of expenditures. During the same period, our productivity rose 4 per cent over and above the 15 per cent it gained in 1996-97.

In 1997-98 we issued \$27.6 million in contracts to the Canadian translation and interpretation industry. These contracts represent an important contribution to the growth and viability of a small but important industry.

These measures have allowed us to contribute to more efficient government operations and, in turn, directly benefit the Canadian taxpayer.

FIGURE 19: TRANSLATION BUREAU

(millions of dollars)

	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
<i>Vote</i>			
Gross Expenditures	37.5	39.1	37.5
Less: Revenue credited to the Vote	-	-	-
Net Expenditures	37.5	39.1	37.5
<i>Translation Bureau Revolving Fund</i>			
Gross Expenditures	112.1	108.8	115.4
Less: Revenue	91.1	91.1	111.6
Net Resources (provided) used	21.0	17.7	3.8
Total Translation Bureau	58.5	56.7	41.3

Communications Coordination Services

Objective To support federal communications objectives by harmonizing the delivery of government information to Canadians and to provide effective communications support and co-ordination services to client departments.

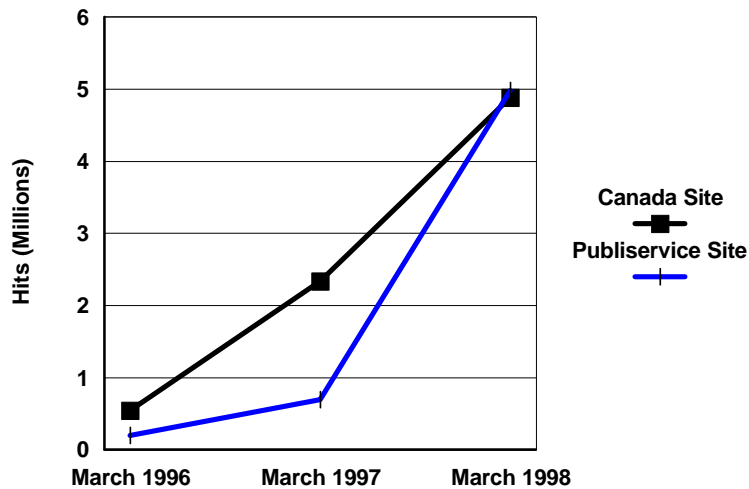
Description The Communications Co-ordination Services Business Line's services include advertising and public opinion research co-ordination, value-added communications-procurement services, publications management, Crown copyright administration, publishing the Canada Gazette, the Depository Services Program (DSP), media monitoring, Reference Canada, 1-800 call centre services, the Canada primary Internet site, Publiservice, and related Web site development. These services are core services to government. They fulfill a public policy need and/or they provide shared common services to all government communicators, and serve individual client departments (e.g., procurement services) and the broader communications objectives of the Government of Canada (e.g., Reference Canada and the Depository Services Program).

Achievements for 1997-98

Established in mid-1997, CCS is working both to develop performance measures that will be reflected in future reports, and to strengthen accountability to Parliament. The accomplishments reported here refer to programs for which responsibility was transferred to CCS in the interests of harmonized service delivery from three other PWGSC branches. The common outcome of these activities is the benefit to Canadians of having easy, one-stop, cost-effective access to information about their government.

Improving the Canada Primary Internet Site and Publiservice The Canada Primary Internet Site provides Canadians and people around the world with a single point of access on the Internet to information, in both official languages, about Canada and the services and programs of the federal government. Publiservice is the government's primary Intranet site and provides on-line operational information about government programs, policies and activities to federal employees. In 1997-98, we took steps to improve both sites and to introduce new services that benefit all users. Figure 20 shows the dramatic increase in the use of both sites.

CCS gives Canadians easy access to information about their government.

FIGURE 20: CANADA AND PUBLISERVICE SITES (HITS PER MONTH)

Depository Services Program (DSP) CCS manages the Depository Services Program, which guarantees Canadians free, direct access to Government of Canada information products and resources, as well as the expertise to find and use this information. The DSP also supports all federal organizations by providing free cataloguing services for their publications and by sending a weekly list of products (largely free) to a vast network of public, educational, institutional and government libraries for selection purposes. The DSP benefits Canadians by ensuring that these libraries receive the information they need to provide the public with local access to Government of Canada information across Canada and abroad.

Note: For the purpose of this report, resources are reflected in the three Business Lines managing the programs transferred to CCS in mid-year.

Operational Support

Objective To provide departmental infrastructure and support services to the Minister and Deputy Minister and PWGSC Business Lines. This involves information management, technology management, financial, administration, human resources and other services needed to support the achievement of departmental strategies and program objectives, in an effective and cost-efficient manner.

Description Operational Support is comprised of two service lines: a suite of support services combined under Information Management/Information Technology - Departmental Operations, and Corporate Management.

The Information Management/Information Technology (IM/IT) - Departmental Operations Service Line includes the provision of information management and information technology (IM/IT) support to PWGSC operations and its Business Lines.

The Corporate Management Service Line includes providing support to the offices of the Minister and the Deputy Minister, providing corporate services on a national basis related to finance, communications, audit and review, human resources, materiel management, security, contracts claims resolution, corporate policy and planning, corporate secretary function and legal services.

Selected Achievements for 1997-98

IM/IT - Departmental Operations Service Line The support provided by IM/IT - Departmental Operations is inherent to all the Department's systems, including the major Receiver General and Public Service Compensation systems. Accordingly, we are reporting our related achievements under the applicable business line sections.

Corporate Management Service Line The Corporate Management Service Line continued to provide advice and support to the Minister and Deputy Minister on portfolio and departmental issues, and to work in tandem with the Business Lines to provide appropriate secretariat services and expertise in the areas of finance, audit and review, legal services, communications, policy and planning, and human resources.

Our communications activities included the provision of strategic advice and services for major departmental initiatives such as the launch of Contracts Canada and MERX, and the Department's move to Alternative Forms of Delivery for property management services. Ongoing communications activities included the provision of external and internal communications services including the production of newsletters such as "Doing Business" and the "Federal Business Bulletin".

As noted earlier in this report, PWGSC has experienced one of the largest workforce reductions of all federal government departments. Having met our targets and accommodated the related workload, we moved to develop a new model and vision to reflect a shift in emphasis away from reducing and restructuring to renewing and reskilling the workforce through initiatives such as our corporate learning strategy. In related human resources initiatives, we implemented La Relève plans, developed competency profiles, and implemented recruitment and training initiatives.

In addition, we conducted a workforce analysis and employment systems review, met with employees and their bargaining agents to address employment equity issues and implemented initiatives to increase Aboriginal recruitment and development.

FIGURE 21: OPERATIONAL SUPPORT

(millions of dollars)

Service Line	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Vote			
IM/IT Departmental Operations			
Gross Expenditures	115.4	152.7	152.6
Less: Revenue credited to the Vote	0.0	0.0	0.0
Net Expenditures	115.4	152.7	152.6
Corporate Management			
Gross Expenditures	151.1	146.0	151.9
Less: Revenue credited to the Vote	57.3	57.3	65.1
Net Expenditures	93.8	88.7	86.8
Total Operational Support	209.2	241.4	239.4

Crown Corporations Program

Old Port of Montreal Corporation Inc.

The objective of the Corporation is to develop and maintain the development of the Old Port of Montreal lands by putting into place infrastructure, equipment and services.

Queens Quay West Land Corporation

The objective of the Corporation is to function as a realty management and disposal company for the Harbourfront precinct in Toronto.

The payments issued provide funding to honour commitments made in transfer agreements with the City of Toronto, certain developers and other interested parties, and to provide an operating subsidy to Harbourfront Centre.

FIGURE 22: CROWN CORPORATIONS PROGRAM

(millions of dollars)

Business Line	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Votes			
Old Port of Montreal Corporation Inc.	3.0	9.0	9.0
Queens Quay West Land Corporation	4.1	4.1	4.1
Total Crown Corporations	7.1	13.1	13.1

SECTION III FINANCIAL PERFORMANCE

Financial Performance Overview

In summary the Department managed, within its 1997-98 approved spending authorities, to deliver quality services, achieve Program Review savings and pursue efficiency in all its operations. During the year, the Canada Communication Group activities were discontinued and authority was provided to close its revolving fund. The total privatization costs were within the effective project approval.

The following explains the significant changes between planned spending, total authorities and actual spending at the departmental level.

	(\$millions)
<i>Planned Spending</i>	1,708.6
Approved items through Supplementary Estimates:	
Acquisition of building	71.8
Northumberland Strait crossing subsidy	37.8
Divestiture of assets	32.0
Employee departure programs	21.2
Carry forwards	32.0
Procurement of sponsorship for media events	18.8
Old Port of Montreal Corporation Inc.	6.0
Funding for employee termination benefits	11.3
Other approved items	<u>25.4</u>
<i>Total Authorities</i>	1,964.9
Capital and Operating lapses	(90.2)
Net differences in statutory authorities	<u>5.2</u>
<i>Actual Spending</i>	1,879.9

Financial Tables 1-22 which follow provide detailed information on the effective use of departmental resources. They are presented in accordance with the approved Planning, Reporting and Accountability Structure (PRAS). The PRAS simplified the Vote structure, confirmed the Business Line approach, modified the funding mechanisms of certain Business Lines, and combined the former RPS Program with the Supply and Services Program. Tables 4a and 4b present a crosswalk of planned and actual spending, under the 1997-98 Operational Planning Framework (OPF) to the PRAS. Although the detailed figures appearing in the financial tables have been reclassified to reflect the PRAS approach, the totals for planned spending, total authorities and actual spending by Vote remained unchanged. Total authorities presented in the financial tables refer to the total of the Main Estimates plus the Supplementary Estimates and the other authorities.

Financial Table 1

Authorities for 1997-98

(millions of dollars)

Vote		Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Government Services Program				
1	Operating expenditures	1,376.2	1,491.1	1,475.8
5	Capital expenditures	271.8	348.0	273.1
16	Optional Services Revolving Fund - To write off the accumulated deficit due to the discontinued services of Stock Item Supply	-	-	-
17	Canada Communication Group Revolving Fund - To write off the accumulated deficit further to the discontinuance of its operations	-	-	-
18	Canada Communication Group Revolving Fund - To repeal Section 5.3 of the <i>Revolving Funds Act</i> further to the discontinuance of its operations	-	-	-
(S)	Minister of Public Works and Government Services - Salary and motor car allowance	-	-	-
(S)	Contributions to employee benefit plans	34.3	34.3	34.3
(S)	Real Property Services Revolving Fund	(2.6)	6.3	37.3
(S)	Real Property Disposition Revolving Fund	(19.6)	(19.6)	(16.8)
(S)	Optional Services Revolving Fund	0.3	0.3	8.2
(S)	Government Telecommunications and Informatics Services Revolving Fund	-	-	2.2
(S)	Consulting and Audit Canada Revolving Fund	(0.9)	2.0	(3.1)
(S)	Translation Bureau Revolving Fund	21.0	17.7	3.8
(S)	Grants to municipalities and other taxing authorities	-	4.5	4.5
(S)	Refunds of amounts credited to revenues in previous years	-	0.4	0.4
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	1.7	0.7
(S)	Private sector collection agency fees	-	-	-
(S)	Northumberland Strait Crossing Subsidy Payment	-	37.8	37.8
	Total Program	1,680.6	1,924.5	1,858.2
Crown Corporations Program				
10	Payments to Old Port of Montreal Corporation Inc.	3.0	9.0	9.0
15	Payments to Queens Quay West Land Corporation	4.1	4.1	4.1
	Total Program	7.1	13.1	13.1
	Item not required			
-	Canada Communication Group Revolving Fund	20.9	27.2	8.6
	Total Department	1,708.6	1,964.9	1,879.9

Totals may not add up due to rounding

Financial Table 2

Departmental Planned versus Actual Spending by Business Line

(millions of dollars)

	FTE's	Operating	Capital	Voted Grants and Contributions	Sub-total Gross Voted Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Revenue Credited to the Vote or Revolving Funds	Total Net Expenditures
PROGRAM									
Business Line									
<i>Service Line</i>									
GOVERNMENT SERVICES									
Real Property Services									
<i>Federal Accommodation and Holdings</i>	176	1,150.1	271.8	-	1,421.8	421.4	1,843.2	681.8	1,161.4
	192	1,231.8	273.1	32.6	1,537.6	429.5	1,967.0	714.8	1,252.2
<i>Services</i>									
- Real Property Services Revolving Fund	3,739	2,151.1	-	-	2,151.1	-	2,151.1	2,153.7	(2.6)
	3,643	2,548.3	-	-	2,548.3	-	2,548.3	2,511.0	37.3
- Real Property Disposition Revolving Fund	-	8.1	-	-	8.1	-	8.1	27.7	(19.6)
	-	5.1	-	-	5.1	-	5.1	21.9	(16.8)
Total Real Property Services	3,915	3,309.2	271.8	-	3,581.0	421.4	4,002.4	2,863.2	1,139.2
	3,835	3,785.2	273.1	32.6	4,091.0	429.5	4,520.4	3,247.7	1,272.7
Supply Operations Service									
- Vote	1,697	143.2	-	-	143.2	-	143.2	18.1	125.0
	1,569	174.9	-	-	174.9	-	174.9	23.6	151.3
- Optional Services Revolving Fund	304	110.1	-	-	110.1	-	110.1	109.8	0.3
	237	106.6	-	-	106.6	-	106.6	98.4	8.2
Total Supply Operations Service	2,001	253.3	-	-	253.3	-	253.3	127.9	125.4
	1,806	281.5	-	-	281.5	-	281.5	122.0	159.4
Receiver General	862	136.2	-	-	136.2	-	136.2	17.1	119.1
	610	129.2	-	-	129.2	-	129.2	29.8	99.4
Public Service Compensation	801	39.2	-	-	39.2	-	39.2	9.1	30.1
	792	50.4	-	-	50.4	-	50.4	3.5	47.0
IM/IT Common Services									
- Government Telecommunications and Informatics Services Revolving Fund	259	318.4	-	-	318.4	-	318.4	318.4	-
	198	412.4	-	-	412.4	-	412.4	410.2	2.2
Consulting and Audit Canada									
- Consulting and Audit Canada Revolving Fund	315	45.8	-	-	45.8	-	45.8	46.7	(0.9)
	282	89.8	-	-	89.8	-	89.8	92.9	(3.1)
Translation Bureau									
- Vote	-	37.5	-	-	37.5	-	37.5	-	37.5
	-	37.5	-	-	37.5	-	37.5	-	37.5
- Translation Bureau Revolving Fund	1,088	112.1	-	-	112.1	-	112.1	91.1	21.0
	1,154	115.4	-	-	115.4	-	115.4	111.6	3.8
Total Translation Bureau	1,088	149.6	-	-	149.6	-	149.6	91.1	58.5
	1,154	152.9	-	-	152.9	-	152.9	111.6	41.3

Financial Table 2 (Cont'd)

Departmental Planned versus Actual Spending by Business Line

(millions of dollars)

	FTE's	Operating	Capital	Voted Grants and Contributions	Sub-total Gross Voted Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Revenue Credited to the Vote or Revolving Funds	Total Net Expenditures
Operational Support									
<i>IM/IT Departmental Operations</i>	1,286	115.4	-	-	115.4	-	115.4	-	115.4
	1,286	152.6	-	-	152.6	-	152.6	-	152.6
<i>Corporate Management</i>	2,051	151.1	-	-	151.1	-	151.1	57.3	93.8
	1,711	151.9	-	-	151.9	-	151.9	65.1	86.8
Total Operational Support	3,337	266.5	-	-	266.5	-	266.5	57.3	209.2
	2,997	304.5	-	-	304.5	-	304.5	65.1	239.4
Total Government Services Program	12,578	4,518.2	271.8	-	4,790.0	421.4	5,211.4	3,530.8	1,680.6
	11,675	5,205.9	273.1	32.6	5,511.7	429.5	5,941.1	4,082.8	1,858.2
CROWN CORPORATIONS									
Old Port of Montreal Corporation Inc.	-	3.0	-	-	3.0	-	3.0	-	3.0
	-	9.0	-	-	9.0	-	9.0	-	9.0
Queens Quay West Land Corporation	-	4.1	-	-	4.1	-	4.1	-	4.1
	-	4.1	-	-	4.1	-	4.1	-	4.1
Total Crown Corporations Program	-	7.1	-	-	7.1	-	7.1	-	7.1
	-	13.1	-	-	13.1	-	13.1	-	13.1
Item not required									
Canada Communication Group Revolving Fund	129	24.4	-	-	24.4	-	24.4	3.5	20.9
	53	10.2	-	-	10.2	-	10.2	1.6	8.6
TOTAL DEPARTMENT	12,707	4,549.7	271.8	-	4,821.5	421.4	5,242.9	3,534.3	1,708.6
	<i>12,707</i>	<i>4,710.7</i>	<i>348.0</i>	<i>32.6</i>	<i>5,091.3</i>	<i>429.5</i>	<i>5,520.8</i>	<i>3,555.9</i>	<i>1,964.9</i>
	11,728	5,229.2	273.1	32.6	5,535.0	429.5	5,964.4	4,084.4	1,879.9
Other Revenues and Expenditures									
Revenue credited to the Consolidated Revenue Fund									37.0
									33.7
									99.1
Cost of Services Provided by Other Departments									18.9
									18.9
									21.6
NET COST OF THE PROGRAM									1,690.5
									<i>1,950.1</i>
									1,802.4

Total may not add up due to rounding

Normal characters denote the planned spending

Numbers in italics denote Total Authorities for 1997-98

Bold numbers denote actual expenditures/revenues in 1997-98

Financial Table 3

Historical Comparison of Total Planned Spending to Actual Spending

(millions of dollars)

PROGRAM	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
GOVERNMENT SERVICES					
Real Property Services					
<i>Federal Accommodation and Holdings Services</i>	1,510.4	1,538.0	1,161.4	1,330.8	1,252.2
- Real Property Services Revolving Fund	38.1	20.4	(2.6)	6.3	37.3
- Real Property Disposition Revolving Fund	-	(36.1)	(19.6)	(19.6)	(16.8)
Total Real Property Services	1,548.5	1,522.4	1,139.2	1,317.5	1,272.7
Supply Operations Service					
- Vote	134.9	132.5	125.0	152.1	151.3
- Optional Services Revolving Fund	0.3	(1.6)	0.3	0.3	8.2
Total Supply Operations Service	135.2	130.9	125.3	152.4	159.4
Receiver General	116.8	107.0	119.1	107.4	99.4
Public Service Compensation	46.2	44.2	30.1	47.2	47.0
IM/IT Common Services					
- Government Telecommunications and Informatics Services Revolving Fund	(23.2)	12.6	-	-	2.2
Consulting and Audit Canada					
- Consulting and Audit Canada Revolving Fund	2.2	(0.2)	(0.9)	2.0	(3.1)
Translation Bureau					
- Vote	28.4	35.3	37.5	39.1	37.5
- Translation Bureau Revolving Fund	9.6	10.2	21.0	17.7	3.8
Total Translation Bureau	38.0	45.5	58.5	56.8	41.3
Operational Support					
<i>IM/IT Departmental Operations</i>	134.9	133.9	115.4	152.7	152.6
<i>Corporate Management</i>	91.4	92.4	93.8	88.7	86.8
Total Operational Support	226.2	226.2	209.2	241.4	239.4
Total Government Services Program	2,089.9	2,088.7	1,680.5	1,924.7	1,858.3
CROWN CORPORATIONS					
Old Port of Montreal Corporation Inc.	3.5	3.8	3.0	9.0	9.0
Queens Quay West Land Corporation	7.5	6.7	4.1	4.1	4.1
Total Crown Corporations Program	11.0	10.5	7.1	13.1	13.1
Item not required					
Canada Communication Group Revolving Fund	29.6	22.4	20.9	27.1	8.6
Total Department	2,130.4	2,121.6	1,708.6	1,964.9	1,879.9

Totals may not add up due to rounding

**SECTION III: FINANCIAL
PERFORMANCE**

Financial Table 4a
Crosswalk Between OPF Structure and New PRAS - Planned Spending
Government Services Program

(millions of dollars)

New PRAS 1997-98 OPF	Planned Spending 1997-98	GOVERNMENT SERVICES PROGRAM												Total Program	
		Real Property Services			Receiver General	Public Service Compensation	Supply Operations Service	IM/IT Common Services	Consulting and Audit Canada	Translation Bureau	Operational Support				
		Federal Accommodation and Holdings	Services	Sub-total							Departmental Operations	Corporate Management	Sub-total		
Real Property Services Program															
* Federal Accommodation	1,024.9	1,011.8		1,011.8								13.1	13.1		1,024.9
* Federal Holdings	122.2	122.2		122.2											122.2
* Services	(19.6)		(22.2)	(22.2)								2.6	2.6		(19.6)
* Program Co-ordination	44.6	27.8		27.8								16.8	16.8		44.6
Total Real Property Services Program	1,172.1	1,161.7	(22.2)	1,139.5								32.5	32.5		1,172.1
Supply and Services Program															
* Central Government and Common Services															
* Receiver General Services	115.5				115.4							0.1	0.1		115.5
* Public Service Compensation	29.9					29.9									29.9
* Supply															
- Vote	94.6							95.1				(0.5)	(0.5)		94.6
- Revolving Fund	(0.1)							(0.1)							0.1
* Public Relations and Print Contract Services	0.5							0.5							0.5
* Crown Assets Distribution	(0.1)							(0.1)							(0.1)
* Government Telecommunications and Informatics Services															
- Vote	104.3	(0.3)		(0.3)								98.6	6.0	104.6	104.3
- Revolving Fund	-														-
* Other Central Government Services	6.3				3.7	0.2		2.3	-						6.3
Sub-total Central Government and Common Services	350.8	(0.3)		(0.3)	119.1	30.1		97.8	-			98.6	5.5	104.2	350.8
* Corporate Management															
* Executive and Corporate Services	60.9							21.7				12.4	26.8	39.2	60.9
* Human Resources	9.8												9.8	9.8	9.8
* Regional Support	19.1												19.1	19.1	19.1
Sub-total Corporate Management	89.8							21.7				12.4	55.8	68.2	89.8
* Special Operating Agencies															
* Canada Communication Group															
- Vote	10.3							5.9				4.4		4.4	10.3
* Consulting and Audit Canada	(0.9)								(0.9)						(0.9)
* Translation Bureau															
- Vote	37.5												37.5		37.5
- Revolving Fund	21.0												21.0		21.0
Sub-total Special Operating Agencies	67.9							5.9	(0.9)			4.4		4.4	67.9
Total Supply and Services Program	508.5	(0.3)		(0.3)	119.1	30.1		125.4	-	(0.9)		58.5	115.4	61.3	176.7
Total	1,680.6	1,161.4	(22.2)	1,139.2	119.1	30.1		125.4	-	(0.9)		58.5	115.4	93.8	209.2
* Item not required															
* Canada Communication Group Revolving Fund	20.9														20.9
Total	1,701.5														1,701.5

Note: This table presents a crosswalk of the planned spending, under the 1997-98 Operational Plan Framework (OPF), to the newly approved Planning, Reporting and Accountability Structure (PRAS). In summary, the PRAS simplified the Vote structure, confirmed the business line approach, modified some funding mechanisms and combined the former Real Property Services Program with the Supply and Services Program. The Crown Corporations Program remained intact and consequently is not demonstrated in the above crosswalk.

**SECTION III: FINANCIAL
PERFORMANCE**

7 PERFORMANCE REPORT

Financial Table 4b
Crosswalk Between OPF Structure and New PRAS Structure - Actual Spending
Government Services Program

(millions of dollars)

New PRAS 1997-98 OPF	Actual Spending 1997-98	GOVERNMENT SERVICES PROGRAM												Total Program
		Real Property Services			Receiver General	Public Service Compensation	Supply Operations Service	IM / IT Common Services	Consulting and Audit Canada	Translation Bureau	Operational Support			
		Federal Accommodation and Holdings	Services	Sub-total							IM / IT Departmental Operations	Corporate Management	Sub-total	
Real Property Services Program														
* Federal Accommodation	1,063.8	1,047.9		1,047.9								15.9	15.9	1,063.8
* Federal Holdings	173.1	173.1		173.1										173.1
* Services	23.5	0.4	20.5	20.9								2.6	2.6	23.5
* Program Coordination	47.9	31.0		31.0								16.8	16.8	47.9
Total Real Property Services Program	1,308.2	1,252.5	20.5	1,273.0								35.3	35.3	1,308.2
Supply and Services Program														
* Central Government and Common Services														
* Receiver General Services	99.4				99.4									99.4
* Public Service Compensation	47.0					47.0								47.0
* Supply														
- Vote	100.5						100.5							100.5
- Revolving Fund														
* Public Relations and Print Contract Services	8.2						8.2							8.2
* Crown Assets Distribution														
* Government Telecommunications and Informatics Services														
- Vote	143.0	(0.3)		(0.3)							137.3	6.0	143.3	143.0
- Revolving Fund	2.2													2.2
* Other Central Government Services														
Sub-total Central Government and Common Services	400.1	(0.3)		(0.3)	99.4	47.0	108.6	2.2			137.3	6.0	143.3	400.1
* Corporate Management														
* Executive and Corporate Services														
* Human Resources														
* Regional Support														
Sub-total Corporate Management	101.3						44.9				10.9	45.5	56.4	101.3
* Special Operating Agencies														
* Canada Communication Group														
- Vote	10.3						5.9				4.4		4.4	10.3
- Revolving Fund														
* Consulting and Audit Canada	(3.1)									(3.1)				(3.1)
* Translation Bureau														
- Vote	37.5										37.5			37.5
- Revolving Fund	3.8										3.8			3.8
Sub-total Special Operating Agencies	48.5						5.9			(3.1)	41.3	4.4	4.4	48.5
Total Supply and Services Program	550.0	(0.3)		(0.3)	99.4	47.0	159.4	2.2		(3.1)	41.3	152.6	51.5	550.0
Total	1,858.2	1,252.2	20.5	1,272.7	99.4	47.0	159.4	2.2		(3.1)	41.3	152.6	86.8	1,858.2
* Item not required														
* Canada Communication Group Revolving Fund	8.6													8.6
Total	1,866.8													1,866.8

Note: This table presents a crosswalk of the actual spending, under the 1997-98 Operational Plan Framework (OPF), to the newly approved Planning, Reporting and Accountability Structure (PRAS). In summary, the PRAS simplified the Vote structure, confirmed the business line approach, modified some funding mechanisms and combined the former Real Property Services Program with the Supply and Services Program. The Crown Corporations Program remained intact and consequently is not demonstrated in the above crosswalk.

Financial Table 5
Spending by Program and Business Line for 1997-98
(millions of dollars)

PROGRAM	BRANCH														Total
	Offices of the Minister and Deputy Minister	Real Property Services	Supply Operations Service	Government Operational Service	Government Telecom- munications and Informatics Services	Consulting and Audit Canada	Corporate Implementati on Group	Translation Bureau	Human Resources	Audit and Review	Communi- cations	Coordination Services	Legal Services		
GOVERNMENT SERVICES															
Real Property Services	-	1,139.2	-	-	-	-	-	-	-	-	-	-	-	-	1,139.2
	-	1,272.7	-	-	-	-	-	-	-	-	-	-	-	-	1,272.7
Supply Operations Service	-	-	103.7	-	-	-	-	-	-	-	-	21.7	-	-	125.4
	-	-	114.5	-	-	-	-	-	-	-	-	44.9	-	-	159.4
Receiver General	-	-	-	119.1	-	-	-	-	-	-	-	-	-	-	119.1
	-	-	-	99.4	-	-	-	-	-	-	-	-	-	-	99.4
Public Service Compensation	-	-	-	30.1	-	-	-	-	-	-	-	-	-	-	30.1
	-	-	-	47.0	-	-	-	-	-	-	-	-	-	-	47.0
IM/IT Common Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	2.2	-	-	-	-	-	-	-	-	-	2.2
Consulting and Audit Canada	-	-	-	-	-	(0.9)	-	-	-	-	-	-	-	-	(0.9)
	-	-	-	-	-	(3.1)	-	-	-	-	-	-	-	-	(3.1)
Translation Bureau	-	-	-	-	-	-	-	58.5	-	-	-	-	-	-	58.5
	-	-	-	-	-	-	-	41.3	-	-	-	-	-	-	41.3
Operational Support	2.5	32.3	1.1	33.4	115.4	-	2.2	-	8.1	7.4	5.6	-	1.2	-	209.2
	2.1	34.5	0.6	19.6	152.6	-	1.3	-	14.7	6.7	6.1	-	1.1	-	239.4
Sub-total Government Services	2.5	1,171.5	104.8	182.6	115.4	(0.9)	2.2	58.5	8.1	7.4	5.6	21.7	1.2	-	1,680.6
	2.1	1,307.2	115.1	166.0	154.8	(3.1)	1.3	41.3	14.7	6.7	6.1	44.9	1.1	-	1,858.3
CROWN CORPORATIONS															
Old Port of Montreal Corporation Inc.	-	-	-	-	-	-	3.0	-	-	-	-	-	-	-	3.0
	-	-	-	-	-	-	9.0	-	-	-	-	-	-	-	9.0
Queens Quay West Land Corporation	-	-	-	-	-	-	4.1	-	-	-	-	-	-	-	4.1
	-	-	-	-	-	-	4.1	-	-	-	-	-	-	-	4.1
Sub-total Crown Corporations	-	-	-	-	-	-	7.1	-	-	-	-	-	-	-	7.1
	-	-	-	-	-	-	13.1	-	-	-	-	-	-	-	13.1
Total	2.5	1,171.5	104.8	182.6	115.4	(0.9)	9.3	58.5	8.1	7.4	5.6	21.7	1.2	-	1,687.7
	2.1	1,307.2	115.1	166.0	154.8	(3.1)	14.4	41.3	14.7	6.7	6.1	44.9	1.1	-	1,871.4
Item not required															
Canada Communication Group															20.9
															8.6
TOTAL															1,708.6
															1,879.9

Total may not add up due to rounding
Bold numbers denote actual expenditures/revenues in 1997-98

Financial Table 6

Revenue Credited to the Vote or Revolving Funds by Business Line

(millions of dollars)

PROGRAM			Planned	Total	
Business Line	Actual	Actual	Revenues	Authorities	Actual
<i>Service Line</i>	1995-96	1996-97	1997-98	1997-98	1997-98
GOVERNMENT SERVICES					
Real Property Services					
<i>Federal Accommodation and Holdings</i>					
Rentals and Concessions	285.9	284.0	260.4	285.2	327.6
Recoveries of grants in lieu of taxes	-	-	421.4	421.4	387.2
	285.9	284.0	681.8	706.6	714.8
<i>Services</i>					
- Real Property Services Revolving Fund					
Recoveries of disbursements on behalf of clients	2,507.3	2,312.0	1,815.4	1,788.5	2,187.3
Fee revenues from real property related common services	390.6	351.2	338.3	365.2	323.7
	2,897.9	2,663.2	2,153.7	2,153.7	2,511.0
- Real Property Disposition Revolving Fund					
Sales of real properties	-	41.9	27.7	27.7	21.9
	2,897.9	2,705.1	2,181.4	2,181.4	2,533.0
Total Business Line	3,183.8	2,989.1	2,863.2	2,888.0	3,247.7
Supply Operations Service					
<i>Vote</i>					
Major Crown Projects	20.5	13.7	9.5	9.9	10.9
Acquisitions	8.1	7.6	4.5	4.4	8.7
Others	4.5	3.1	4.1	3.8	4.0
	33.1	24.4	18.1	18.1	23.6
<i>Optional Services Revolving Fund</i>					
Traffic	28.8	31.9	32.3	32.3	38.4
Software Brokerage / Benchmarking	2.8	2.4	2.7	2.7	1.7
Stocked Item Supply	32.5	-	-	-	-
Locally Shared Support Services	7.0	7.7	7.0	7.0	9.0
Exposition Services	6.8	4.6	7.2	7.2	9.5
Audio-Visual Services	13.8	9.9	15.4	15.4	10.2
Publishing and Depository Services	-	-	17.7	17.7	16.4
Contracting and Others	28.5	12.8	17.9	17.9	3.1
Crown Assets Distribution	10.8	18.3	9.7	9.7	10.0
Others	-	2.7	-	-	-
	130.9	90.3	109.8	109.8	98.4
Total Business Line	164.0	114.7	127.9	127.9	122.0
Receiver General					
Payments Services	22.5	20.2	17.1	17.1	29.8
Public Service Compensation					
Compensation Services	7.5	8.2	7.6	7.7	2.8
Personnel Application	2.8	2.3	1.5	1.4	0.7
Others	0.5	0.5	-	-	-
Total Business Line	10.8	11.0	9.1	9.1	3.5

Financial Table 6 (Cont'd)

Revenue Credited to the Vote or Revolving Funds by Business Line

PROGRAM					
Business Line	Actual	Actual	Planned	Total	Actual
<i>Service Line</i>	1995-96	1996-97	Revenues	<i>Authorities</i>	1997-98
			1997-98	1997-98	
IM/IT Common Services					
Telecommunication Revenue	198.5	191.7	170.8	170.8	190.0
Informatics and Others	174.6	175.0	147.6	147.6	220.2
Total Business Line	373.1	366.7	318.4	318.4	410.2
Consulting and Audit Canada					
Consulting and Auditing Services	60.9	75.1	46.7	46.7	92.9
Translation Bureau					
Vote					
Interpretation Services	1.9	-	-	-	-
Revolving Fund					
Translation Services	73.7	99.0	73.3	88.9	108.8
Interpretation Services	-	1.4	11.6	1.7	2.3
Terminology Services	-	0.5	6.1	0.5	0.5
Total Business Line	75.6	100.9	91.1	91.1	111.6
Operational Support					
Internal Recoveries and Others	74.9	70.6	57.3	57.3	65.1
Total	74.9	70.6	57.3	57.3	65.1
Total Business Line	74.9	70.6	57.3	57.3	65.1
<i>Item not required</i>					
Canada Communication Group					
Printing and Publishing Services	101.3	99.3	3.5	0.4	1.6
Total Revenues Credited to the Vote or Revolving Funds					
	4,066.9	3,847.6	3,534.3	3,555.9	4,084.4

Total may not add up due to rounding

Note: There are no revenues in the Crown Corporations Program

Financial Table 7

Revenues Credited to the Consolidated Revenue Fund by Program
(millions of dollars)

PROGRAM	Actual 1995-96	Actual 1996-97	Planned Revenues 1997-98	Total Authorities 1997-98	Actual 1997-98
GOVERNMENT SERVICES					
Rentals and Concessions	0.7	0.2	0.1	0.1	0.1
Sales of Real Properties	23.6	13.6	-	-	-
Reimbursement of Municipal Grants from Montreal Airport	11.4	16.2	-	-	2.2
Docks	2.1	4.4	4.1	4.1	4.7
Interest on Loans	0.3	0.1	0.3	0.1	-
Refund of Previous Year's Expenditures	3.7	2.4	-	-	11.3
Adjustment to Payable at Year End	7.3	9.2	-	-	8.4
Goods and Services Tax	11.4	11.3	15.5	10.1	11.8
Return on Investments					
-Royal Canadian Mint					
Interests	-	-	-	2.6	-
-Canada Post Corporation					
Interests	7.8	7.8	7.8	7.8	7.8
Dividends	-	10.0	-	-	10.0
-Canada Lands Company : Share Redemption	-	10.9	-	-	20.4
Access to Information Fees	-	-	-	-	-
Proceeds from Disposal of Surplus Crown Assets	1.3	0.8	-	-	0.3
Miscellaneous Non-tax Revenues					
-Donations to the Crown	0.3	0.3	-	-	0.2
-Seized Properties	-	10.0	-	-	9.5
-Others	27.2	3.7	3.8	3.6	4.9
Benefits and Overhead Reimbursed	-	5.1	5.0	5.0	7.3
Total Program	97.2	106.0	36.6	33.4	98.8
CROWN CORPORATIONS					
Rentals and Concessions	0.1	0.1	0.1	0.1	0.1
Parking Fees	0.3	0.2	0.3	0.2	0.2
Total Program	0.4	0.3	0.4	0.3	0.3
Total Revenues Credited to the CRF	97.6	106.3	37.0	33.7	99.1

Totals may not add up due to rounding

Note: Not available by Business Line

Financial Table 8

Statutory Transfer Payments by Business Line

(millions of dollars)

PROGRAM			Planned	Total	
Business Line	Actual	Actual	Spending	Authorities	Actual
<i>Service Line</i>	1995-96	1996-97	1997-98	1997-98	1997-98
GOVERNMENT SERVICES					
Real Property Services					
<i>Federal Accommodation and Holdings</i>					
Northumberland Strait Crossing					
Subsidy Payment	-	-	-	37.8	37.8
Grants to Municipalities and Other					
Taxing Authorities	397.9	401.5	-	4.5	4.5
Total Statutory Transfer Payments	397.9	401.5	-	42.3	42.3

Totals may not add up due to rounding

Note: Funding for payments of Grants to Municipalities and Other Taxing Authorities has now been devolved to the applicable custodial department. Payments of municipal grants under statutory authority totaling \$391.7M in 1997-98 has been recovered (except for \$4.5M) by Public Works and Government Services from custodial departments and credited to the statutory payment.

Financial Table 9

Transfer Payments by Business Line
(millions of dollars)

PROGRAM Business Line	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
GOVERNMENT SERVICES					
Real Property Services					
GRANTS					
Grants to Municipalities and Other Taxing Authorities	397.9	401.5	-	4.5	4.5
CONTRIBUTIONS					
Canadian Standards Association	-	-	-	-	-
Government of New Brunswick	4.0	-	-	-	-
Regional Municipality of Ottawa-Carleton	-	20.0	-	-	-
Corporation of the City of Welland, Ontario	-	-	-	12.6	12.6
Industries Davie Inc.	-	-	-	20.0	20.0
	401.9	421.5	-	37.1	37.1
OTHER TRANSFER PAYMENTS					
Strait Crossing Finance Inc	-	-	-	37.8	37.8
	-	-	-	37.8	37.8
Total Transfer Payments	401.9	421.5	-	74.9	74.9

Totals may not add up due to rounding

Note: Funding for payments of Grants to Municipalities and Other Taxing Authorities has now been devolved to the applicable custodian department. Payments of municipal grants under statutory authority totaling \$ 391.7M in 1997-98 have been recovered (except for \$4.5M) by Public Works and Government Services from custodial departments and credited to the statutory payment.

Financial Table 10

Capital Spending by Business Line
(millions of dollars)

PROGRAM Business Line	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
GOVERNMENT SERVICES					
Real Property Services	228.2	290.0	271.8	348.0	273.1
Total Capital Spending	228.2	290.0	271.8	348.0	273.1

Financial Table 11

Capital Projects by Business Line

(thousands of dollars)

Business Line	Current Estimated Total Cost	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Actual 1997-98
Real Property Services					
NEW BRUNSWICK					
Fredericton - Government of Canada Buildings - Renovation / Disposal	6,850	23	389	3,520	3,731
Saint John - Customs Building - Renovation	6,354	2,296	1,042	1,829	164
NOVA SCOTIA					
Halifax - Bedford Row - Exterior Renovation	2,939	81	1,998	608	860
NEWFOUNDLAND					
St. John - Government of Canada - Acquisition	18,779	810	4,616	854	1,621
QUEBEC					
Quebec - 330 Gare du Palais - Renovation	6,575	1,608	1,398	3,088	3,056
Sherbrooke - 50 Place de la Cité - Renovation	14,380	2,472	6,765	2,265	2,417
Montreal - Immeuble Vincent - Renovation	11,750	4,408	4,677	687	2,660
Quebec - 55 Wharves - Renovation	18,316	189	260	50	107
Matane - Wharf Renovation	6,668	4,114	919	87	189
NATIONAL CAPITAL REGION (QUEBEC)					
Ottawa - Place du Portage Complex - Security System	1,521	-	-	1,571	1,400
Gatineau - National Archives Building - Construction	83,639	29,364	11,003	2,579	946
Hull - Government Printing Bureau CHP - Electrical Upgrade	5,194	117	201	4,967	2,968
NATIONAL CAPITAL REGION (ONTARIO)					
Ottawa- CHP Heron Road - Renovation	3,712	-	-	2,227	-
Ottawa CHP East Tunnel - Renovation	8,425	-	127	4,607	-
Ottawa- M.G. Pearkes Building- Fire alarm Renovation	3,314	33	193	1,800	1,373
Ottawa - CHP Tunneys Pasture - Renovation	2,249	75	660	105	1,330
Ottawa - West Memorial Building - Renovation	77,355	191	335	2,500	1,651
Ottawa - East Memorial - Renovation	58,136	1,097	19,448	20,509	36,704
Ottawa - National Library / Publics Archives Building - Renovation	9,983	206	172	5,400	806
Ottawa - St. Andrews Tower - Acquisition	28,544	-	16,635	6,836	10,532
Ottawa - Constitution Building - Masonry Repairs	1,583	345	87	591	931
Ottawa - Standards Lab. Building - Fire Safety Renovation	9,790	67	221	345	346
Ottawa - Constitution Building - Sprinkler Upgrade	1,842	21	182	1,182	229
Ottawa - Conference Center - Masonry	6,732	1,186	1,369	4,350	-
PARLIAMENTARY PRECINCT					
Ottawa - East Block (South West Tower) - Masonry Repairs	1,816	317	479	60	903
Ottawa - East Block - 1910 Wing Renovations	21,829	2,486	12,868	7,257	2,081
Ottawa - North Wall Parliament Hill - Masonry & Iron Works	3,218	438	205	1,601	88
Ottawa - Wellington Street Wall - Masonry & Iron Works	4,270	782	944	1,539	1,929
Ottawa - Justice Building - Renovation	18,437	26	560	2,988	1,085
Ottawa - Center Block - South Facade Conservation	18,822	1,940	11,365	6,889	4,166
Ottawa - Center Block - Masonry Repairs	6,622	1,382	1,717	577	1,196
Ottawa - Center Block - Utilities Services	25,150	106	2,683	11,227	12,865
Ottawa - West Block - Renovation	93,701	1,586	1,958	2,118	2,776
Ottawa - Ground Lighting - Lighting System Upgrade	2,702	592	276	594	415
ONTARIO					
North York - AES building - Renovation	1,645	354	109	1,445	-
Sudbury - 19 Lisgar - Renovation	8,576	100	314	4,670	2,000
Belleville - New Federal Building - Acquisition	4,400	17	2,289	1,222	2,084
Orillia - 17 - 25 Peter Street - Renovation	1,530	60	358	1,312	10
Kitchener - 15 Duke - Renovation	1,637	-	-	1,800	-
MANITOBA					
Lockport - St-Andrews Lock & Dam - Reconstruction	24,900	5,000	2,112	2,400	-
BRITISH COLUMBIA					
West Vancouver - Pacific Environment Center - Construction	15,654	-	-	13,428	-
Victoria - New Federal Building - Addition	11,032	34	3,171	6,929	6,865
Prince George - Lake Building - Purchase	1,500	221	187	51	-
Vancouver - Harry Stevens Building - Renovation	1,932	122	1,178	225	632
Various - Alaska Highway - Reconstruction	478,583	20,349	16,815	13,500	20,268
Total spending on capital projects (listed above)	1,142,586	84,615	132,285	154,389	133,384

Note: This table includes Major Capital Projects with estimated total project costs in excess of \$ 1 million and listed in Part III of the 1997-98 Main Estimates.

Financial Table 12**Status of Major Crown Projects**

No Major Crown Projects, above \$100 million, were underway during 1997-98. The National Archives Gatineau building project was completed, the official opening was June 1997.

Financial Table 13**Loans, Investments and Advances**
(millions of dollars)

PROGRAM	As of March 31		
	1996	1997	1998
GOVERNMENT SERVICES			
Royal Canadian Mint	40.2	40.2	40.1
Canada Post Corporation	80.0	80.0	80.0
Seized Property Working Capital Account	0.7	2.6	2.6
Total Program	120.9	122.8	122.7
CROWN CORPORATIONS			
Queens Quay West Land Corporation	45.8	45.8	45.8
Total Program	45.8	45.8	45.8
OTHER			
Miscellaneous accountable imprest and standing advances	14.2	18.3	20.5
Total Loans, Investments and Advances	180.9	186.9	189.0

Totals may not add up due to rounding

- Notes: 1. The miscellaneous accountable imprest and standing advances represent amounts recoverable from all federal departments and agencies by the Receiver General. The total amount authorized to be outstanding at anytime is \$22 million.
2. Further details on the above loans, investments and advances can be found in Volume 1 of the Public Accounts.

Financial Table 14: Real Property Services Revolving Fund

Statement of Operations

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned Spending 1997-98	Total Authorities 1997-98	Actual 1997-98
Revenue	390.6	351.2	338.3	338.3	323.7
Expenses					
Operating:					
Salaries and employee benefits	257.8	224.3	215.6	215.6	235.9
Amortization	7.3	6.7	6.2	6.2	6.1
Other operating costs	160.3	143.0	118.3	118.3	121.5
Total Expenses	425.4	374.0	340.1	349.0	363.5
Surplus (Deficit)	(34.8)	(22.8)	(1.8)	(10.7)	(39.8)

This table refers to the fund's operating profit and loss, not to cash requirements for the fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

Statement of Changes in Financial Position and Projected Use of Revolving Fund Authorities

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Operating Activities:					
(Surplus) Deficit	34.8	22.8	1.8	10.7	39.8
Less items not requiring use of funds:					
Amortization	7.9	7.0	6.3	6.3	6.1
Provision for compensation	18.4	23.5	0.5	0.5	-
Provision for employee termination benefits	5.4	(1.9)	2.1	2.1	14.5
Sub-total	3.1	(5.8)	(7.1)	1.8	19.2
Working capital change	6.6	(14.4)	(2.5)	(2.5)	7.2
Payments on and change in allowance for compensation	16.9	38.0	-	-	0.3
Payments on and change in provision for employee termination benefits	11.5	5.5	5.0	5.0	9.2
Net financial resources (provided by) used in operating activities	38.1	23.3	(4.6)	4.3	35.9
Investing Activities:					
Capital assets:					
Net Acquisitions	3.9	4.0	4.6	4.6	4.9
Disposals / Adjustments	(1.5)	(4.2)	-	-	(0.9)
Net financial resources (provided by) used in investing activities	2.4	(0.2)	4.6	4.6	4.0
Financing Activities:					
Recoveries from annual appropriation	(3.1)	(2.6)	(2.6)	(2.6)	(2.6)
Net financial resources (provided by) used in financing activities	(3.1)	(2.6)	(2.6)	(2.6)	(2.6)
Authority (provided) used during the year	37.4	20.5	(2.6)	6.3	37.3
Net authority (provided) used at the start of year	17.7	55.1	75.5	75.5	75.5
Net authority (provided) used at the end of year	55.1	75.5	72.9	81.8	112.8
Authority Limit	450.0	450.0	450.0	450.0	450.0
Unused authority carried forward	394.9	374.5	377.1	368.2	337.2

Totals may not add up due to rounding

Note: Recoverable disbursements on behalf of clients are not included in Revenue and Expenses

Financial Table 15: Real Property Disposition Revolving Fund

Statement of Operations

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Revenue	-	41.6	27.7	27.7	22.0
Expenses	-	3.7	8.1	8.1	3.4
Surplus (Deficit)	-	37.9	19.6	19.6	18.6

This table refers to the fund's operating profit and loss, not to cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

Statement of Changes in Financial Position and Projected Use of Revolving Fund Authorities

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Operating Activities:					
(Surplus) Deficit	-	(37.9)	(19.6)	(19.6)	(18.6)
Less items not requiring use of funds:	-	-	-	-	-
Amortization	-	-	-	-	-
Working capital change	-	1.8	-	-	1.8
Authority (provided) used during the year	-	(36.1)	(19.6)	(19.6)	(16.8)
Payment to the Consolidated Revenue Fund	-	32.9	14.6	19.6	18.6
Net authority (provided) used at the start of year	-	-	(3.2)	(3.2)	(3.2)
Net authority (provided) used at the end of year	-	(3.2)	(8.2)	(3.2)	(1.4)
Authority Limit	-	5.0	5.0	5.0	5.0
Unused authority carried forward	-	8.2	13.2	8.2	6.4

The Real Property Disposition Revolving Fund was established in 1996-97.

Financial Table 16: Optional Services Revolving Fund

Statement of Operations
(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Revenue	127.6	87.7	109.8	109.8	100.2
Expenses					
Operating:					
Salaries and employee benefits	18.1	11.1	15.0	15.0	14.9
Product cost	94.1	67.1	83.5	83.5	77.9
Amortization	0.9	0.4	0.7	0.7	0.5
Other operating costs	23.5	6.6	10.3	10.3	10.5
Interest	2.3	-	0.9	1.0	2.4
Total Expenses	138.9	85.2	110.4	110.5	106.2
Surplus (Deficit)	(11.3)	2.5	(0.6)	(0.7)	(6.0)

This table refers to the fund's operating profit and loss, not to cash requirements for the fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

Statement of Changes in Financial Position and Projected Use of Revolving Fund Authorities
(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Operating Activities:					
(Surplus) Deficit	11.3	(2.5)	0.6	0.7	6.0
Less items not requiring use of funds:					
Amortization	0.9	0.4	0.7	0.8	0.5
Loss on disposal of capital assets	1.2	-	-	-	0.1
Provision for employee termination benefits	1.4	(0.4)	0.2	0.2	1.3
Subtotal	7.8	(2.5)	(0.3)	(0.3)	4.1
Working capital change	(10.1)	0.5	-	-	2.3
Payments on and change to employee termination benefits	1.9	0.2	-	-	1.2
Net financial resources (provided by) used in investing activities	(0.4)	(1.8)	(0.3)	(0.3)	7.6
Investing Activities:					
Capital assets:					
Net Acquisitions	0.8	0.2	0.6	0.6	0.6
Disposals / Adjustment	(0.1)	-	-	-	-
Net financial resources (provided by) used in investing activities	0.7	0.2	0.6	0.6	0.6
Authority (provided) used during the year	0.3	(1.6)	0.3	0.3	8.2
Authority to write off Stoked Item Supply Accumulated Deficit	-	-	-	(38.0)	(38.0)
Net liabilities transferred from CCG	-	-	-	-	(0.3)
Net authority (provided) used at the start of year	44.0	44.3	42.7	42.7	42.7
Net authority (provided) used at the end of year	44.3	42.7	43.0	5.0	12.6
Authority Limit	200.0	200.0	200.0	200.0	200.0
Unused authority carried forward	155.7	157.3	157.0	195.0	187.4

Totals may not add up due to rounding

Financial Table 17: Government Telecommunications and Informatics Services Revolving Fund

Statement of Operations

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Revenue	355.3	375.2	318.4	318.4	405.0
Expenses					
Operating:					
Salaries and employee benefits	82.3	79.2	78.1	78.1	88.0
Product cost	164.8	161.6	145.0	145.0	160.3
Amortization	3.0	5.8	5.5	5.5	9.6
Other operating costs	94.8	111.9	89.3	89.3	137.7
Interest	0.2	0.1	0.5	0.5	0.6
Total Expenses	345.1	358.6	318.4	318.4	396.2
Surplus (Deficit)	10.2	16.6	-	-	8.8

This table refers to the fund's operating profit and loss, not to cash requirements for the fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

Statement of Changes in Financial Position and Projected Use of Revolving Fund Authorities

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Operating Activities:					
(Surplus) Deficit	(10.2)	(16.6)	-	-	(8.8)
Less items not requiring use of funds:					
Amortization of capital assets	3.8	6.7	6.5	6.5	10.0
Amortization of deferred charges	0.7	0.1	-	-	-
Provision for termination benefits	1.4	-	1.5	1.5	3.1
Provision for compensation	1.2	-	-	-	0.3
Sub-total	(17.3)	(23.4)	(8.0)	(8.0)	(22.2)
Working capital change	(18.9)	11.6	-	-	(4.3)
Payments on and change in allowance for compensation	4.5	0.3	-	-	0.3
Payments on and change in provision for employee termination benefits	2.5	0.1	1.5	1.5	1.0
Net financial resources (provided by) used in operating activities	(29.2)	(11.4)	(6.5)	(6.5)	(25.2)
Investing Activities:					
Capital assets:					
Net Acquisitions	6.0	24.0	6.5	6.5	27.3
Net financial resources (provided by) used in investing activities	6.0	24.0	6.5	6.5	27.3
Authority (provided) used during the year	(23.2)	12.6	-	-	2.2
Net assets / (liabilities) assumed (1)	(2.6)	-	-	-	-
Net authority (provided) used at the start of year	(3.3)	(23.8)	(11.2)	(11.2)	(11.2)
Net authority (provided) used at the end of year	(23.8)	(11.2)	(11.2)	(11.2)	(9.1)
Authority Limit	64.0	64.0	64.0	64.0	64.0
Unused authority carried forward	87.8	75.2	75.2	75.2	73.1

Totals may not add up due to rounding

(1) Certain assets and liabilities related to employee termination benefits (ETB) and unused annual leave (UAL), originally funded from departmental appropriations have been assumed by the Revolving Fund and affected the authority carried forward.

Financial Table 18: Consulting and Audit Canada Revolving Fund

Statement of Operations

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Revenue	59.7	75.2	46.7	46.7	94.3
Expenses					
Operating:					
Salaries and employee benefits	20.2	19.7	21.2	24.1	21.5
Product cost	31.5	46.0	18.1	18.1	62.6
Amortization	1.4	0.9	1.0	1.0	0.9
Other operating costs	7.9	6.4	5.2	5.2	6.2
Interest	0.8	0.6	1.1	1.1	0.4
Total Expenses	61.8	73.6	46.6	49.5	91.6
Surplus (Deficit)	(2.1)	1.6	0.1	(2.8)	2.7

This table refers to the fund's operating profit and loss, not to cash requirements for the fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

Statement of Changes in Financial Position and Projected Use of Revolving Fund Authorities

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Operating Activities:					
(Surplus) Deficit	2.1	(1.6)	(0.1)	2.8	(2.7)
Less items not requiring use of funds:					
Amortization	1.4	0.9	1.0	1.0	1.0
Loss on disposal of capital assets	0.2	-	-	-	0.1
Provision for employee termination benefits	0.2	0.2	0.3	0.3	0.2
Sub-total	0.3	(2.7)	(1.4)	1.5	(4.0)
Working capital change	1.4	1.6	0.1	0.1	0.2
Net financial resources (provided) used in operating activities	1.7	(1.1)	(1.3)	1.6	(3.8)
Investing Activities:					
Capital assets:					
Net Acquisitions	0.5	0.9	0.4	0.4	0.7
Net financial resources (provided) used in investing activities	0.5	0.9	0.4	0.4	0.7
Authority (provided) used during the year	2.2	(0.2)	(0.9)	2.0	(3.1)
Reimbursement of employee termination benefit from TB Vote 5	-	-	-	-	(2.9)
Net authority (provided) used at the start of year	21.8	24.0	23.8	23.8	23.8
Net authority (provided) used at the end of year	24.0	23.8	22.9	25.8	17.8
Authority Limit	30.0	30.0	30.0	30.0	30.0
Unused authority carried forward	6.0	6.2	7.1	4.2	12.2

Totals may not add up due to rounding

Financial Table 19: Translation Bureau Revolving Fund

Statement of Operations

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Revenue	73.7	101.0	91.1	91.1	112.2
Expenses					
Operating:					
Salaries and employee benefits	52.2	68.1	62.0	63.2	71.7
Amortization	1.4	4.7	2.1	2.1	2.0
Other operating costs	35.2	36.2	37.8	33.2	42.8
Interest	0.1	-	1.4	1.4	-
Total Expenses	88.9	109.0	103.3	99.9	116.5
Surplus (Deficit)	(15.2)	(8.0)	(12.2)	(8.8)	(4.3)

This table refers to the fund's operating profit and loss, not to cash requirements for this fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

Statement of Changes in Financial Position and Projected Use of Revolving Fund Authorities

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Operating Activities:					
(Surplus) Deficit	15.2	8.0	12.2	8.8	4.3
Less items not requiring use of Funds:					
Amortization	1.4	4.7	2.1	2.1	2.0
Provision for compensation	5.6	(3.0)	-	-	0.1
Provision for employee termination benefits	0.8	0.6	1.0	1.0	1.4
Sub-total	7.4	5.6	9.2	5.7	0.7
Working capital change	(3.7)	1.4	3.7	3.7	0.5
Changes in other assets and liabilities	0.1	0.1	6.9	7.1	1.1
Net financial resources (provided) used in operating activities	3.8	7.1	19.8	16.5	2.3
Investing activities					
Capital assets:					
Net Acquisitions	5.8	3.1	1.2	1.2	1.5
Net financial resources (provided) used in investing activities	5.8	3.1	1.2	1.2	1.5
Authority (provided) used during the year	9.6	10.2	21.0	17.7	3.8
Authority to delete operating losses	(13.6)	(11.0)	(12.2)	(7.6)	(4.2)
Reimbursement of employee termination benefit from TB Vote 5	-	(0.3)	-	-	(1.2)
Restatement of 1995-96 deletion of net loss	-	4.0	-	-	-
Net assets / liabilities assumed	2.1	1.8	-	-	-
Net authority (provided) used at the start of year	-	(1.9)	2.8	2.8	2.8
Net authority (provided) used at the end of year	(1.9)	2.8	11.6	12.9	(1.2)
Authority Limit	75.0	75.0	75.0	75.0	75.0
Unused Authority Carried Forward	76.9	72.2	63.4	62.1	73.8

Totals may not add up due to rounding

During 1996-97, the Treasury Board approved modifications to the Translation Bureau's Charter and the terms and conditions of its Revolving Fund. This amendment provided several authorities including the transfer of all interpretation and terminology services as well as translation to Parliament into the Translation Bureau Revolving Fund, increasing its level of activity.

Financial Table 20: Canada Communication Group Revolving Fund

Statement of Operations

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Revenue	110.4	85.5	3.5	3.5	-
Expenses					
Operating:					
Salaries and employee benefits	48.1	40.0	7.3	13.6	4.5
Product cost	49.9	39.6	-	-	-
Amortization	5.5	4.1	0.7	0.7	-
Other operating costs	17.5	16.1	10.2	10.2	(3.3)
Interest	3.3	2.1	1.8	1.8	1.9
Total Expenses	124.3	101.9	20.0	26.3	3.1
Surplus (Deficit)	(13.9)	(16.4)	(16.5)	(22.8)	(3.1)

This table refers to the fund's operating profit and loss, not to cash requirements for the fiscal year. The operating profit or loss that the Fund will realize is calculated through accrual accounting. Therefore, some cash expenditures in the estimates do not affect the operating balance, and other items that must be considered when calculating the profit or loss do not require a direct cash outlay. The two can be reconciled as follows:

Statement of Changes in Financial Position and Projected Use of Revolving Fund Authorities

(millions of dollars)

	Actual 1995-96	Actual 1996-97	Planned 1997-98	Total Authorities 1997-98	Actual 1997-98
Operating Activities:					
(Surplus) Deficit	13.9	16.4	16.5	22.8	3.1
Less items not requiring use of funds:					
Amortization	5.5	4.1	0.7	0.7	-
Loss on disposal of capital assets	1.6	0.1	5.2	5.2	-
Provision for employee termination benefits	-	-	-	-	-
Subtotal	6.8	12.2	10.6	16.9	3.1
Working capital change	(7.4)	17.3	20.4	20.4	-
Changes in other assets and liabilities	26.9	5.3	-	-	6.0
Net financial resources (provided by) used in operating activities	26.3	34.8	31.0	37.3	9.1
Investing Activities:					
Capital assets:					
Net Acquisitions	3.5	0.5	-	-	-
Capital assets transfer	-	-	-	-	(0.5)
Net financial resources (provided by) used in investing activities	3.5	0.5	-	-	(0.5)
Financing Activities:					
Obligations under capital leases	(2.3)	-	-	-	-
Transfer from PWGSC	-	(9.8)	-	-	-
Deficit Write-off	-	-	(10.1)	(10.1)	-
Proceeds of sale from St. Joseph	-	(4.9)	-	-	-
Payments on and change in obligations under capital leases	2.1	1.8	-	-	-
Net financial resources (provided by) used in financing activities	(0.2)	(12.9)	(10.1)	(10.1)	-
Authority (provided) used during the year	29.6	22.4	20.9	27.2	8.6
Reimbursement of employee termination benefit from TB Vote 5	(0.9)	(3.0)	-	-	(6.3)
Deletion of net loss	(37.0)	-	-	-	(59.5)
Transfer of residual liabilities to other organizations within PWGSC	-	-	-	-	5.0
Authority to clear contributed capital account to ANCAFA (1)	-	-	-	-	12.6
Net authority (provided) used at the start of year	28.4	20.1	39.5	39.5	39.5
Net authority (provided) used at the end of year	20.1	39.5	60.4	66.7	(0.1)
Authority Limit	100.0	100.0	100.0	100.0	100.0
Unused authority repealed (2)	-	-	-	-	(100.1)
Unused authority carried forward	80.0	60.5	39.6	33.3	-

Totals may not add up due to rounding

(1) Accumulated net charge against the Fund's authority (ANCAFA)

(2) 1997-98 Supplementary Estimates B, Vote 18b provided authority to repeal section 5.3 of the *Revolving Fund Act* as of December 31, 1998, thereby eliminating the legal basis for the existence of the Canada Communication Group.

Financial Table 21: Defence Production Revolving Fund

Note:

Parliament authorized a total drawdown of \$100 million for the Defence Production Revolving Fund. There are currently no activities in this Revolving Fund.

Financial Table 22**Contingent Liabilities**

(millions of dollars)

	As of March 31		
	1996	1997	1998
Claims Outstanding	426.8	455.9	502.6
Total Claims Outstanding	426.8	455.9	502.6

- Notes:
1. These contingent amounts arise from approximately 100 cases of pending litigation related to contract disputes, damages to property or personal injuries.
 2. While these cases are in various stages of litigation, it is not the policy of the Department to comment on their expected outcomes. They must, however, be recognized as potential liabilities against the Crown and are therefore presented for information purposes only.

SECTION IV: CONSOLIDATED REPORTS

Sustainable Development Strategy

Since the tabling of PWGSC's Sustainable Development Strategy (SDS) in April 1997, the Department has continued to pursue its long-standing commitment to the principles of sustainable development. All areas of the Department have embraced the concept of sustainable development with the understanding that the challenge of making the environmental and economic agendas converge can produce dividends for both. In the course of daily operations, PWGSC's policy is to practise a preventive approach to pollution and waste, and conserve resources while using them efficiently and effectively. Pro-active measures have been taken to develop sustainable operational practices, capable of meeting current needs without sacrificing future potential use.

In PWGSC's SDS, a number of priority areas were identified, and progress in these areas has been steady.

Selected Activities in SDS Priority Areas

Procurement Supply Operations Service (SOS) has contracted for the design and implementation of an Environmental Information Service. The service, accessible through the Internet, will allow procurement officers, materiel managers and others access to a database of green goods and services. Work is also underway to gather information on the various ways that SOS promotes green procurement. This work will form the foundation for new communications initiatives. Currently, SOS has negotiated some 50 standing offers for green products, facilitating their purchase by client departments.

Real Property Services (RPS) is currently incorporating environmentally responsible choices into the National Master Specification (NMS) to encourage the use of construction materials or practices that will reduce the quantity of construction, renovation, or demolition materials sent to landfills. Further, RPS intends to "green" another 113 sections of the NMS by December 1998, which will account for some 24 per cent of total NMS sections - up from 6.5 per cent in December 1997.

Communications Coordination Services (CCS) proactively advises clients on the availability of green products for printing and other communications activities.

Fleet Management As part of the "FleetWise" initiative led by Natural Resources Canada, SOS has developed an action plan to reduce PWGSC's fleet, improve its efficiency, and promote environmentally responsible fleet-management practices. These include the use of cleaner fuels, and the development of improved monitoring systems.

With 568 vehicles at the beginning of 1995-96, PWGSC's goal was to reduce to 445 by the end of 1997-98. At the end of 1997-98 however, PWGSC's fleet contained only 417 vehicles—exceeding the target and attaining a reduction of 151 vehicles since the fleet rationalization program began in 1995-96. Fuel consumption per vehicle has declined 4.8 per cent from 1996-97.

SOS has also awarded two Master Standing Offers for alternative fuel vehicles through MERX, to facilitate the purchase of such vehicles by clients who choose them.

Waste Management

- **Hazardous Waste** RPS accommodates 160,000 public servants across Canada, administers 3,000 leases, and is custodian of \$6.8 billion worth of real property holdings. PCBs are being phased out in these facilities. Since PWGSC's PCB Destruction Program began in 1996, some 1,500 tonnes of PCBs have been safely destroyed, and another 355 tonnes now await disposal. The Federal Buildings Initiative is accelerating this process and providing the economic incentive. Currently 70 per cent of RPS facilities are PCB-free. Three PCB transformers remain, and these are scheduled for phase-out in 1998-99.

PWGSC has developed a systematic replacement, conversion, and improvement approach to reduce production of ozone-depleting substances, specifically CFCs. Some 64 per cent of PWGSC chillers are now using alternative refrigerants. Also, as a result of containment measures, annual refrigerant loss has been reduced from 10-15 per cent to roughly 4 per cent.

- **Non-hazardous Waste** PWGSC has committed to assist its tenants to reduce annual waste sent to landfill to 95kg/FTE by 2000, through offering solid waste diversion services in accordance with regulatory requirements. Recycling initiatives are a priority, as an estimated 23,000 tonnes of office waste (garbage and recycling) are generated annually from PWGSC facilities. In the case of 95 facilities, waste production exceeds 10,000 m³. Of these facilities, 84 per cent have paper fibre recycling; 41 per cent have multi-material recycling.

Under the Environment and Technology Development Program, RPS is establishing practices to reduce solid waste generated from construction, demolition and renovation projects. The feasibility of this approach has been demonstrated through a series of pilot projects whereby up to 95 per cent of waste was diverted from landfills. RPS is working with the industry and organizations such as the Canadian Construction Association to further promote solid waste minimization practices within the Canadian economy in general, and has committed to incorporating solid waste diversion practices into the RPS project delivery system by 1999.

Government Operational Service (GOS) is well on track toward its target of increasing the use of electronic payments to 65 per cent of total payments by 1998-99, which will result in a savings of approximately 1.7 million kilograms of paper in cheques and envelopes. In 1997-98, roughly 60 per cent of payments were electronic. Over the same period, the volume of recycled cheques and EI cards was 308,372 kgs. and 23,715 kgs. respectively. The 1998-99 forecast for recycling is roughly 275,000 kgs. of paper for RG cheques, and 23,000 kgs. of paper for EI cards. Due to direct deposit expansion, the volume of recycled RG cheque paper is expected to decrease in future years.

GOS is committed to convert as many transactions as possible to electronic format, thus reducing paper consumption. Where paper is essential to operations, it will be recycled to the greatest extent possible.

Water Conservation The SDS stressed the importance of waste avoidance in every area of departmental operations and activities. The objectives for water conservation were to meet policies, strategies and codes, exceeding them where economically feasible, promoting efficient water use in Crown-owned and leased facilities, and offering expert services to clients.

Since 1993, RPS has:

- performed approximately 25 water audit preliminary evaluations;
- conducted 33 water audits;
- completed an estimated 11 work plans;
- implemented water reduction measures in nine facilities; and,
- established monitoring programs in approximately 20 facilities.

Water saving initiatives are currently included within the scope of the Federal Buildings Initiative (FBI), and are being implemented when cost savings are demonstrated. As part of the greening of the National Master Specification, references have been added for the selection of water-conserving fixtures. RPS has developed a 5-Phase Water Management Protocol as a reference manual for evaluating water usage and implementing reduction measures.

Energy Efficiency Since the start of the FBI in 1994, 29 projects have been implemented representing over 64 per cent (745,650 m²) of the total office asset base made available to the engineering service company industry. As a next step, PWGSC is looking at implementing energy projects in leased facilities. PWGSC's annual energy bill has been reduced by 6.75 per cent in 1997-98 for a savings of \$5.2 million.

To date, as a result of FBI, PWGSC has also reduced CO₂ emissions by over 19,409 tons per year since 1995.

Lands Management In 1992, RPS prepared a Contaminated Lands Management Strategy which incorporated the principles and practices under the Federal Sites Component of the National Contaminated Sites Remediation Program (NCSRP). This strategy outlined the implementation phases necessary for the eventual classification of the Department's sites using NCSRP.

The RPS Contaminated Lands Management Strategy is now being updated to be in accord with:

- recommendations of the 1995-96 audit of the management of contaminated sites in the federal government, completed by the OAG;
- management tools being developed by the interdepartmental Contaminated Site Management Working Group; and
- a risk management approach.

In 1993, RPS started to prepare an inventory, based upon document searches, of sites under its custody suspected of having contamination. There are an estimated 223 PWGSC sites either known, suspected, or remediated of contamination. Of these: 7 per cent have been completely remediated; 52 per cent require no further action based on Phase I or Phase II assessment results; 4 per cent are being monitored; 20 per cent still require a Phase I assessment; and 16 per cent require remediation or are undergoing further study.

Environmental Management Systems (EMS) The SDS committed PWGSC to ensuring that sustainable development considerations are integrated into all departmental operations and the daily activities of employees. Given the diverse nature of the Department's activities, each Business Line/SOA has been tasked with the development of an EMS appropriate to their operations.

As part of this exercise, a Departmental Performance Management Framework to structure and track PWGSC's SDS commitments was drafted. Objectives, tools required, and performance indicators have been identified for each priority area set out in the SDS through consultations with branches and SOAs. When fully populated, the Performance Management Framework will form an essential part of each EMS within the department.

A PWGSC Environmental Policy to provide the cornerstone for each EMS and guide the Department's operations and activities will be developed and submitted to senior management for approval and promulgation.

Green Citizenship In developing its sustainable development strategy, PWGSC identified the need for a Green Citizenship Program aimed at making the daily activities of departmental employees more environmentally responsible. Employee-based programs need employee input and support to be successful. Accordingly, the Department conducted nine focus groups to gather recommendations and test support for the Program. The focus groups were a success, revealing strong interest in the Program, and yielding 17 recommendations that were approved by senior management. These recommendations touched on policy options, communication strategies, the creation of employee networks, and ways to maintain and stimulate interest and awareness.

Status of Fuel Storage Tanks on PWGSC Owned Land

Annual Report for April 30, 1998

As required under the CEPA, 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, 1997.

1. The following number of aboveground storage tanks systems:

Are registered with PWGSC: 4.

Comply with the Federal Aboveground Storage Tank Technical Guidelines: 3.

Do not comply with the Federal Aboveground Storage Tank Technical Guidelines: 1.

Should be upgraded in accordance with Schedule I of the Federal Aboveground Storage Tank Technical Guidelines:

a) 3 in 1999.

b) 0 in 2000.

2. The following number of underground storage tank systems:

Are registered with PWGSC: 85.

Comply with the Federal Underground Storage Tank Technical Guidelines: 74.

Do not comply with the Federal Underground Storage Tank Technical Guidelines: 7 (plus 4 concrete underground storage tanks, which are registered but are not covered by the Technical Guidelines).

Should be upgraded in accordance with Schedule I of the Federal Aboveground Storage Tank Technical Guidelines:

a) 1 in 1998.

b) 1 in 1999.

c) 63 in 2000.

Year 2000 Readiness

Due to an early understanding of the Year 2000 date change issue, PWGSC established the Year 2000 Program Office in GTIS, in 1996. Its key priority is to ensure that PWGSC's 34 "mission-critical" applications supporting the Government's Receiver General and Public Service Compensation Business Lines are Year 2000-compliant.

PWGSC has accelerated its Integrated Year 2000 Plan. The conversion, testing and accreditation of essential applications are on or ahead of schedule. To date, 15 applications have been certified as Year 2000-compliant, while test completion dates for 3 other systems have been advanced. PWGSC plans to complete the conversion of all mission-critical systems by December 1998 and have them certified by June 1999.

The Department's most senior managers track progress against the Integrated Year 2000 Plan. This plan integrates the Year 2000 plans of all business lines, and identifies the interdependencies between PWGSC's government-wide mission-critical and high-priority applications and infrastructure.

The Program Office has identified PWGSC's Year 2000 risks and has developed associated risk-mitigation strategies. A second-phase risk assessment was submitted to Treasury Board on August 31, 1998. The Program Office is preparing business contingency plans for mission-critical systems. This work is being co-ordinated with the Department's Emergency Preparedness function.

With conversion of all mission-critical systems on or ahead of schedule, PWGSC's key Year 2000 concerns focus on ensuring that its telecommunications infrastructure and "embedded" computer technology, such as the security systems and heating and cooling controls in government buildings managed by PWGSC, are Year 2000-compliant.

As a common services department, PWGSC carries out Year 2000 activities on behalf of government. To deal with exceptional circumstances, PWGSC took exceptional measures to ensure all departments have quick access to private sector expertise in resolving Year 2000 issues. Seven contracts with a minimum guaranteed value of \$100 million were awarded to ensure Canadian government departments access to the best private-sector programmers and expertise available. PWGSC also established a special procurement office to handle all requests from departments for systems repairs and hardware and software replacement. It actively participated in the Treasury Board Year 2000 governance structure, assuming leadership roles as Chair of the Embedded Systems Subcommittee and Chair of the Year 2000 Interdepartmental Working Group Subcommittee on Telecommunications. In addition, PWGSC began obtaining and distributing via the Internet information on the Year 2000 compliance of products, covering hardware, software, embedded systems and telecommunications equipment and services.

SECTION V: OTHER INFORMATION

Statutes and Regulations Administered by the Department

The Minister of Public Works and Government Services has the responsibility for the following Acts and Regulations

Bridges Act - R.S. 1985 c. B-8 (SI/93-138)

Canadian Arsenals Limited Divestiture Authorization Act - S.C. 1986, c. 20

- Regulations:
 - Canadian Arsenals Limited Pension Protection Regulations, SOR/87-196

Defence Production Act - R.S. 1985 c. D-1

- Regulations:
 - Technical Data Control Regulations, SOR/86-345

Dry Docks Subsidies Act - R.S. 1985, c. D-4 (SI/93-138)

- Regulations:
 - Canadian Vickers Dry Dock Regulations, SOR/77-347

Expropriation Act - R.S. 1985, c. E-21 (SI/93-138)

- Regulations:
 - Expropriation Act Basic Rate Order, C.R.C., c. 640

Federal District Commission to have acquired certain lands, An Act to confirm the authority of the - S.C. 1979, c. 7 (SI/93-138)

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