



Passport
Canada

Passeport
Canada

PASSPORT CANADA
Corporate and Business Plan
2005-2008



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When the Royal Commission on Security recommended more stringent passport application requirements in 1969, it could scarcely have imagined the security and service context in which passports are issued today, at the dawn of the 21st century. From its simple beginning as a letter of safe conduct, the passport has become the single most important document that a traveler can carry. It has evolved beyond a key travel document into a fundamental instrument for establishing identity, at home and around the world.

Canadians have also changed their expectations with regard to passports. As recently as 2001, "the competence of Passport Canada staff" was the top-rated client value for passports and passport services. In 2004, the most important client value expressed was "the design of passports to avoid forgery". "The security features of the passport" and "acceptance of the passport document by other countries" were rated second and third. These changing client needs echo the changing nature of our products and services and the environment in which they exist. They point us in the direction Canadians wish us to go.

Of course, the passport's evolving nature finds a parallel in the consequent evolving nature of Passport Canada itself. Our overarching policy framework has changed.

In our early days, we were a special operating agency, created with a focus on service delivery. Today, we play a key role under Canada's first National Security Policy. We are major contributors to achieving results in reducing documentation fraud and improving border security.

Once, our organization's relative focus was on operations. Now, more and more, we are called upon to take part in strategic issues that involve global security and the integrity of domestic identity systems. We are developing numerous partnerships. We are working closely with organizations in the public and private sectors in all jurisdictions, in Canada and internationally. We must increasingly manage and plan proactively. At the same time, we must remain flexible enough to adapt and change to new issues and challenges that are emerging all the time.

We face increasing pressure to look outward and evolve. At the same time, we must focus on core services to our clients, Canadian citizens, permanent residents, refugees and persons legally staying in Canada and in need of protection. With one eye turned inward, we continue to monitor the level of customer service we deliver, as well as customer needs and expectations for methods of service delivery. These demand more service channels and greater service options. We must also stay cognizant of the link between service and product quality. We must strive to provide passports and other travel documents that truly help Canada to play a role on the international scene, and that Canadians can have confidence in and be proud to carry.

To meet the changing needs and expectations of Canadians, and effectively meet the challenges we face, we must revolutionize our products, policies, and processes. Nothing less will do. We must begin now to develop the Passport Canada of the future.

In this context, we present this Corporate and Business Plan. It outlines the major challenges we will face over the next three years (2005-2008) and how we will respond. The Corporate



Plan defines the pressures that confront us. It also outlines our strategic direction in response. The Business Plan outlines the major activities we will undertake to implement our strategic direction, the outcome-related goals and the high-level performance indicators we will use to measure success. Ultimately, we have two aims over the next three years. We want an adaptable, flexible organization, one that can deal with a more dynamic and fluid security context, without affecting high standards for client service. We also want to start laying the groundwork for realizing our long-term vision.

Financially, we continue to face multiple points of pressure on our operating budget. Our current funding arrangements cannot sustain the drive to increase security measures and to improve domestic identity systems. The National Security Policy identified three passport security initiatives as government priorities. But the funds committed are not enough to sustain security improvements beyond introductory phases. We foresee a period of challenge. Indeed, this Corporate and Business Plan anticipates fiscal strain.

Revenues have grown with increased demand, but heightened security measures have driven up the cost of our business. We anticipate operating in a difficult fiscal context. We must thus emphasize initiatives that help to contain costs or support cost-efficiency. At the same time, we must explore additional sources of funding. This will include a passport fee increase.

Now, more than ever, we must rely on our people. They must rise to the challenges we face. They must contribute to our efforts to build the Passport Canada of the future. To reach our goals, our staff must show a high level of effort and commitment. We must ensure an ongoing human resources management regime that promotes learning and development and recognizes and rewards achievement. It must be built on our corporate values: service excellence, integrity, competence, and respect.

In this Corporate and Business Plan, we are setting the stage for the next three years. But we are also putting a framework in place for the future. This framework seeks to balance and develop greater security and service delivery. At the same time, it seeks to contain costs and enhance the value of our product. Our business has changed. We recognize that it will continue to do so. We hope that our work, now and over the next three years, will help us to transform Canadian passports and Passport Canada, in pace and in tune with the challenge of complex new 21st-century realities. At the same time, Canadian travel documents and Passport Canada must always continue to be what Canadians want and need them to be: current, respected, and world-class.



Purpose and Introduction

This document follows a previous Corporate and Business Plan presented to the Treasury Board of Canada for the period 2004–2007. The timing for the requirement to file a Corporate and Business Plan was changed from the end of March to October of each year. This led to the need to file an updated plan in October 2004 .

Rapid changes to the operating environment have also put increasing pressure on Passport Canada's financial resources and strategic orientation. The strategic context has shifted significantly. Passport Canada's strategic orientation has also evolved. Our long-term vision is clearer, but we need to put more emphasis on security issues and budgetary pressures in the short and medium terms.

An earlier version of this Corporate and Business Plan was considered by Treasury Board at its April 4 meeting and Treasury Board requested that Passport Canada return with an updated plan by June 20, 2005¹. At this same time, on April 5, 2005, the Office of the Auditor General released a report detailing the results of an audit conducted in December 2004. The results from that audit gave Passport Canada an opportunity to revisit the Business Plan in order to address recommendations from the Auditor General.

The Passport Canada Corporate and Business Plan 2005-2008 presents our strategic orientation. It outlines the major challenges we expect to face over the planning period. It establishes the organization's strategic direction. It defines the key activities and level of performance expected over the next three years.

¹ Filing occurred in June 2005 after discussion and agreement with Treasury Board Secretariat.



2.1 Passport Canada: Our Corporate Profile

2.1.1 Who we are

Passport Canada was established in 1990 as a special operating agency (SOA) of Foreign Affairs Canada. It reports to Parliament through the Minister of Foreign Affairs. Its mission and mandate are derived from the Canadian Passport Order. Under the Canadian Passport Order, Passport Canada is accountable for all matters related to issuing and using Canadian passports and travel documents. As such, it plays a key role in making it easier for Canadians to travel freely. It lets them be fully involved – personally, culturally, academically, and economically – in the global village. Our work supports Foreign Affairs Canada’s mission to “support Canadians abroad, work towards a more peaceful and secure world, and promote (Canadian) culture and values internationally.”

Through the Minister of Foreign Affairs, the Canadian Passport Order gives Passport Canada broad powers to prescribe the form of the Canadian passport and how a person may apply for one. It also prescribes the information that Passport Canada needs to issue a passport, and the grounds for denying or revoking one. Passport Canada must monitor the issuance or revocation of Canadian passports. It must also consider how the legislative framework might affect initiatives to further passport security or enhance customer service. Initiatives may have implications under privacy legislation, the Charter of Rights and Freedoms or other statutes. These implications must be carefully considered. To this end, recent amendments to the Passport Order were implemented in September 2004. These amendments aimed to clarify specific legal authorities. Looking ahead, Passport Canada intends to further review the Passport Order. We will confirm its ability to support Passport Canada’s

evolution. We will make recommendations concerning the appropriate legislative framework for the future.

We have a basic corporate responsibility to maintain the international reputation of the Canadian passport and other travel documents as secure and reliable. The role of passports is evolving, both at home and abroad. Passport Canada increasingly takes part in domestic and global initiatives involving security and border integrity. We also take part in domestic identity policy and identity system initiatives. Work in this area includes specific initiatives to improve passport security and the integrity of the Canadian passport. It includes working with international bodies to develop common travel document standards and policies. It includes cooperating with other jurisdictions on security-related matters. It includes supporting horizontal initiatives to establish Canadian identity policy and systems. This area of corporate responsibility has grown significantly in the past few years. It continues to evolve.

As a special operating agency, Passport Canada has greater management flexibility to deliver on its strategic priorities. But, in exchange for increased autonomy, Passport Canada is accountable for meeting rigorous performance standards. This includes emphasizing high standards of convenient, accessible, and efficient service for the Canadians we serve. Improved service delivery basically drove the creation of the current-day Passport Canada. It remains an important aspect of our corporate profile.

Aside from being a special operating agency, Passport Canada is unique in another way: it is self-financing. It operates under a revolving fund, with revenue generated through fees charged. It does not receive any parliamentary appropriations to finance operating expenses. Some initiatives such



as those of the Passport Security Strategy are funded through appropriations and managed by Foreign Affairs Canada. These appropriations cover capital and start-up costs. Applicants, not taxpayers, fund the service. Passport Canada revolving fund has a continuing non-lapsing authority from Parliament. It makes payments out of the Consolidated Revenue Fund for working capital, capital acquisitions and temporary financing of accumulated operating deficits. The total of the accumulated operating deficits must not exceed \$4,000,000 at any time.

2.1.2 Our organization

Passport Canada is managed through an Executive Committee, chaired by a Chief Executive Officer. The Executive Committee sets the overall strategic direction for Passport Canada. It oversees activities and policies, as well as projects implemented to advance corporate strategic priorities.

2.1.3 Our primary products / services

Passport Canada provides the seven unique Canadian travel documents listed below, as clients need them.

Product	Description
24-page passport	The 24-page passport (navy-blue cover) makes up 98% of all the documents we issue.
48-page passport	We issue the 48-page passport for the convenience of frequent travelers, such as business people.
Diplomatic passport	We provide diplomatic passports to Canadian diplomats, senior government officials, diplomatic couriers and private citizens nominated as official delegates to international diplomatic conferences.
Special passport	We issue special passports to people representing the government on official business. These include members of the Privy Council who are not members of the Cabinet, members of Parliament, provincial Cabinet members, public servants, and private citizens nominated to non-diplomatic conferences.
Emergency passport	If Canadians find themselves stranded abroad, Canadian government offices abroad can issue emergency passports on behalf of the Passport Canada, so Canadians can return to Canada.
Refugee travel document	We issue travel documents to people whom Citizenship and Immigration Canada determines to be refugees under the 1951 United Nations Convention, or persons in need of protection under the Immigration and Refugees Protection Act, and who are legally residing in Canada. Such documents are endorsed for travel to all countries, except the holder's country of origin. They are valid for two years and can be extended.
Certificate of identity	We issue certificates of identity to permanent residents of Canada who are stateless or unable to obtain a passport or travel document from their country of origin. The certificate of identity is endorsed for travel to countries specified in the document. It is currently valid for up to two years and can be extended.



We currently offer domestic passport-related services to in-person clients through 33 regional offices. We opened four new offices in 2004-2005. We also offer services through a central directorate which receives and processes applications submitted by mail.

Passport Canada has explored the possibility of expanding its channels of service by using receiving agents. As of April 01, 2005, Canadians may apply for a passport at one of 58 selected Canada Post outlets or Human Resources and Skills Development Canada service centres. We are expanding this service model. In addition to domestic services, Passport Canada works with Foreign Affairs Canada. It offers passport services to Canadians overseas, through Canadian government offices abroad.

Passport Canada uses a forecasting model to assist our business planning. We estimate passport applications in advance, based on expected volume. The model monitors the factors that affect passport growth. These factors include: economic activity and the cost of borrowing (this affects how much people can be expected to travel), immigration (this can predict how many new Canadians are likely to apply for a passport), known passport expirations, and changes in passport policy at home and abroad.

About 85% of passport applications are processed at a regional office, though recent trends see increasing use of mail-in services. Demand varies. It is affected by the economy, conflict abroad, and weather at home. It usually peaks in the winter months.

Passport Canada has published service standards detailing targeted turnaround times for issuing Canadian travel documents, (to view service standards please visit this address http://www.ppt.gc.ca/passports/get_process_times_e.asp). In fiscal year 2003-04, we met our published standards 95% of the time.

2.1.4 Our key achievements

The events of September 11, 2001, forced us to refocus attention on security-related issues more than ever before. In 2003/04 and 2004/05, we took specific steps to strengthen the processes involved in issuing passports and to enhance the integrity of documents issued. Here are some of the steps we took:

- We amended the Passport Order to prescribe national security as grounds to refuse or revoke a passport.
- We signed a memorandum of understanding (MOU) with Interpol, to share lost and stolen passport information. Prior to the MOU signature, a Preliminary Privacy Impact Assessment was conducted. The PPIA did not raise any issues.
- We made changes to improve sharing of information about lost or stolen passports, in response to a report by the Auditor General in February 2004. We implemented new procedures to manage passports Canadians report as lost or stolen. We now enter lost or stolen passport data directly into the RCMP's Canadian Police Information Centre database, and relay information to front-line officers with the Canadian Border Services Agency.
- Passport Canada made significant progress on the E-Links with Provinces Project. The project aims to put a birth certificate verification system in place between all provinces/territories and Passport Canada. In the summer/fall of 2003/2004, Statistics Canada approached Passport Canada to explore whether the functionality of their planned Vital Events Data Capture and Routing System could be combined with that of the E-Links with Provinces Project. These discussions led to the new proposed National Routing System. The project's definition stage was completed in March 2004.



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- We carried out a pilot project involving an on-line query functionality, linking the Victoria Passport Canada office with the British Columbia Vital Statistics Agency. This allowed better validation of birth certificate information submitted to support a passport application. The pilot project confirmed the feasibility of the concept. It provided valuable lessons learned for the British Columbia Vital Statistics Agency and Passport Canada. These lessons will be applied when the National Routing System (NRS) is fully implemented.
- In April 2004, we obtained approval for capital funding to implement the Passport Security Strategy, through commitments made under the new Canada National Security Policy. As a result of these commitments, initiatives under the Passport Security Strategy will proceed over the period of this Corporate and Business Plan.

Security has been a major focus, but we have not lost sight of the importance of client service. We carried out several client service initiatives in 2004-05.

- We made significant progress on the Receiving Agents project. It broadens access to passport services through networks outside Passport Canada. In September 2004, we signed a MOU with Canada Post. It detailed each party's expectations for designated postal stations to act as receiving agents for passport related applications. Under the MOU, Canada Post outlets are currently providing additional channels to access passport services. This will increase customer convenience. We also launched a pilot project with Social Development Canada and Human Resources and Skill Development Canada. It tested the use of designated Human Resources Centres in Brandon, Manitoba, Kamloops, British

Columbia, and Drummondville, Quebec, as receiving agents for passport-related applications. As of March 31, 2005, close to 83,000 people have applied for passports through 58 receiving agents locations.

- We developed a new version of Passport Canada's operating software, IRIS® 8.0, to support service-related initiatives. Its release occurred in December 2004.
- We launched an Extended Hours of Service initiative (November 2004 – April 2005). Under this initiative, we extended core Passport Canada business hours up to 25%. In some cases, we added Saturday openings. The initiative enhanced client convenience and reduced counter wait times during the busy season. It will continue in subsequent years, subject to local demand and cost effectiveness.
- On August 17, 2004, we opened a new office in South Calgary, and opened three additional new offices in Pointe-Claire, Whitby and Brampton in early 2005.
- In the summer of 2004, we launched the Renewals Pilot Project. It seeks to improve client convenience. It offers eligible Canadians the option to renew their passports through a simplified mail-in process. Using a targeted mail-out, we invited over 35,000 Canadians to renew their passports without having to appear at a passport office in person. Initial indications are that passport clients are very receptive to this invitation and we expect that the renewal process will become more efficient. The pilot project will continue through the current planning period. It is described further in the Business Plan below.
- On September 27, 2004, we launched the Members of Parliament portal (<https://www.ppt.gc.ca/parl/>). The MP web site is an electronic link between Passport Canada and Members of Parliament. It allows rapid and direct sharing of information about passport application-related issues. The web site supports MPs



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who accept passport applications at their constituency offices. Since its launch, we have received a high percentage of requests for updates on the status of passport applications. This suggests that MPs use the portal and find it an efficient way to communicate with Passport Canada.

- We introduced a new correspondence tracking system, integrated with Foreign Affairs Canada's correspondence tracking system. Linked correspondence tracking allows Passport Canada to send and receive ministerial correspondence files quickly and efficiently. This means better response times.

In addition, we undertook activities to improve corporate and business assurance. This ensured the supporting conditions needed to succeed in security and service initiatives.

- Last year's Business Plan identified the need to develop and adopt a corporate learning policy and strategy. This year, its development and adoption was a major achievement. The strategy detailed Passport Canada's commitment to being a learning organization. It outlined specific learning and development initiatives. This included reviewing organizational core competencies, surveying employee learning needs, establishing learning plans, and strengthening our commitment to performance reviews for all employees. We will continue to implement various elements of the policy and strategy through the current planning period. Key activities are listed in Appendix A.
- We completed business continuity plans, as required under the Government Security Policy. Business continuity plans respond to all mission-critical processes. They detail the protection of critical assets in the face of a crisis or emergency. We prepared a specific plan for each office.

We also prepared generic regional plans. These are living plans. We will update them as processes change, such as progress on the Passport On-line and Receiving Agent projects outlined in the Business Plan below.

- We completed the Mail-in and Member of Parliament Process Review and Standardization project. We used LEAN methodology to review and refine processes. As a result, we reduced cost per application. We increased productivity and reduced the time it takes to process applications. We expect these benefits to increase as we fully implement lean processing across mail-in operations.
- We developed and are implementing a continuous improvement framework. The framework ensures implementation and operational consistency. It promotes continual improvement of the performance of all quality management systems. The continuous improvement framework includes a quality policy, a continuous improvement model, and an internal Continuous Improvement Council. The Council's mandate includes developing continuous improvement action plan and conducting an annual review. The continuous improvement framework will promote the principles of quality management, risk management, and modern comptrollership.
- This past year, we also undertook a major revision of the tools used in the examiner-training program. We have refreshed the tools. The correction grids used to measure examiner error have been reviewed for consistency and accuracy. We are now reviewing a second phase to address issues surrounding the basic underpinnings of the process. This includes reviewing how recruitment, training and qualification occur.
- We have begun evaluating the management structure. The evaluation was driven mainly by the need to have



the right, relevant management structure and capacities to achieve sustainable success. With the current environment and future challenges, it is vital for us to seek to develop a management structure that enhances Passport Canada's overall strategy. Having the right team members, in the right positions, will help Passport Canada to develop a culture of excellence.

In response to the audit conducted by the Office of the Auditor General, Passport Canada identified and implemented several measures to correct certain deficiencies identified during the audit process.

In the area of security, we:

- Concluded Memoranda of Understanding with Correctional Services Canada, the Police Information Centre, the Canada Border Services Agency and Citizenship and Immigration Canada to guide the sharing of information needed to strengthen our passport watch lists and improve enforcement of the Canadian Passport Order.
- Developed and distributed document identification tools to strengthen the ability of examiners to verify the authenticity of identity documentation and a job aid for the conduct of guarantor checks.

In the area of service delivery, we:

- Implemented a survey of passport applicants to identify behavioural factors that could affect the demand.

In the area of corporate improvement, we

- Established a Project Management Bureau, to act as a focal point for project planning and management. The Project Management Bureau will assess projects and prioritize them against approved

criteria that are consistent with the long term strategic vision of Passport Canada.

Passport Canada – Long term vision and strategic orientation

As noted in the Foreword, Passport Canada is evolving. It is responding to immediate pressures in its operating environment. It also needs to position itself strategically for the future. Passport Canada has established a new long-term vision and strategic orientation to guide that evolution. We will continue to develop the longer-term vision and strategic orientation over the period covered by this Corporate and Business Plan. Passport Canada has made enough progress that we can consider our current business activities and plans through a more forward-looking lens.

Crafting a new perspective

Our strategic orientation introduces several new ways of thinking about passports and the role of Passport Canada. This includes:

- recognizing that passports play a fundamental role in establishing identity at home, not just when travelling;
- recognizing that, in today's environment, security requirements have become the primary drivers of our business, and the most important aspect of our product;
- recognizing core differences between clients seeking to renew existing passports and applicants seeking their first passport.

These new ways of thinking may seem straightforward at first. But they inevitably



drive Passport Canada toward major transformation. They involve a fundamental transformation — not just in our product, but also in our policies and the very manner we structure our business processes.

We recognize the increased emphasis on security-related issues and the fundamental role of passports as authenticators of identity. This inevitably broadens Passport Canada's role. We do more than just issue travel documents. Our role is more integrally connected to global security. Passport Canada has an important responsibility. We seek to protect the Canadian public from identity theft and identity fraud. We also assist in efforts to ensure international security and fight terrorism. Passport Canada will thus evolve to include greater collaboration among departments and jurisdictions. We will also cooperate with domestic and foreign security agencies. We will give increasing prominence to international objectives. We will ensure that Canadian passports are favourably comparable to others around the world. We will take part in and lead international committees and forums.

Passport Canada will begin to refocus its applicant verification practices. We will place the greatest scrutiny where it is most needed. We will distinguish between new applicants and those seeking to renew existing or expired travel documents. We will thus be better able to concentrate our processes on new passport applicants. To this end, we will begin now to adjust our policies and re-engineer our processes. We will eventually move toward a two-stream model. First-time applicants and renewal applicants will be processed separately and differently. Under this new approach, first-time applicants may be subject to increased scrutiny. They may have to appear for an interview. Renewal clients may not have to resubmit selected documents, reviewed and verified

on their initial application. This two-stream process would allow us to put more security emphasis on new clients. It would also allow increased service options for renewing clients. These options would include on-line applications, receiving agents, or kiosks.

In this Corporate and Business Plan, we have sought to establish a National Identity Policy Framework (described below). This is a first step toward aligning our policies, improving our practices, and enhancing cooperation. We will stress how important passports are to secure identity systems. Passport Canada will continue to champion efforts to establish national identity systems. These systems are based on universally accepted documents (such as birth certificates) and uniform standards. Identity verification systems must work together easily and smoothly.

Passport Canada will carry out several initiatives under the Passport Security Strategy. These initiatives will also improve our product. They will ensure that it keeps pace with developments in other countries.

This Corporate and Business Plan thus marks the start of a major transformation. The transformation is built on new ways of thinking. It is founded on the success of projects completed in recent years and projects described in this plan. The strategic orientation of Passport Canada's Corporate and Business Plan in the coming years will be to support this transformation. Passport Canada will thus modernize and reposition its products, policies, and processes. Beyond 2009-2010, Passport Canada envisions an organization that is a key player in security programs and initiatives, at home and abroad. We will build business processes around a case management approach and we will continue to focus on passport-related security and identity issues.



4.1 The planning environment

4.1.1 The international context

The international travel environment has recently experienced significant challenges. It has also undergone fundamental changes. There have been heightened threats and vigilance. There have also been rapid, ongoing developments in technology. This has led to mounting international momentum and pressures to implement new-generation passport security measures, systems, and controls. This has a significant impact on Passport Canada's operating environment.

To ensure that Canadians can continue to travel easily abroad, our travel documents must meet or exceed international specifications concerning formats, secure issuance procedures and integrity. The more rigorous the design, processes and procedures for Canadian passports, the more they are respected abroad. This makes it easier for Canadians to be fully involved in the global market. Several international developments are important to Passport Canada's operating environment.

The post 9-11 global environment

The terrorist attacks of September 11, 2001, highlighted the need to ensure the integrity and security of the passport as a key factor in protecting human security. The events of that day significantly increased international pressure and momentum for all countries to strengthen the security and integrity of identity, and travel documents in particular. There is ever-increasing emphasis on secure travel systems and identity documents, and new security measures in various countries. This has created an international environment of continuous change and

improvement to passport issuance and control systems, practices, and policy.

Passport Canada must meet new international standards. At the same time, it must keep abreast of emerging security issues. Some developments warrant specific responses, as outlined below. The new emphasis on global security creates more general pressures on Passport Canada to constantly evolve. We must maintain and improve Canada's reputation as a cooperative, collaborative partner on global travel and security matters, so we can maintain and enhance our relationships with key allies.

New ICAO passport specifications

In May 2003, the International Civil Aviation Organization (ICAO) adopted a global, harmonized blueprint for integrating biometric identification information into passports and other machine-readable travel documents (MRTDs). Under development for several years, these new international passport specifications call for the inclusion of advanced storage technologies, in the form of an integrated circuit chip. That chip will store the passport holder's biographical data and photo. These specifications were being developed before changes were made in the US passport policy (see below). But they were developed and adopted faster after the events of September 11 and the resulting increase in attention to security issues.

Canada must remain current with internationally accepted advances in passport specifications. It must remain collaborative in global security matters. It must maintain a voice on global interoperability issues. It must secure its reputation as a leader in using advanced technologies.



Changes in US visitor policy

After the terrorist attacks on September 11, 2001, the United States pursued changes to its visitor policy, indicating that it would eventually require all countries currently benefiting from visa waiver status (those whose nationals do not require a visa to visit the US) to produce a passport containing a biometric (facial) image of the bearer. The current target date for this change is October 2006.

Canada is presently exempt from US visa-waiver requirements. However, there is no guarantee that this exemption will continue in the future.

Other countries have been active in developing the new passport specifications. They are following a very aggressive implementation schedule. This includes the United Kingdom, Germany, Australia, New Zealand and the Netherlands.

The United States will do more than require E-passports. It will require all travellers to provide machine-readable travel documents (MRTDs) on entering the US. Otherwise, they must obtain a visa by applying in-person and being fingerprinted, regardless of their country of origin's visa waiver status. This change affects Canadians receiving passport services from Missions abroad as most Missions currently do not issue MRTDs.

Canada must be fully involved in implementing E-passports. It must ensure the production of MRTDs, in the interest of international cooperation. It must maintain Canada's position as a leader in using advanced technologies to reduce passport fraud and enhance travel-related security.

"I encourage all Member States to cooperate fully in the implementation of this global identification framework that can significantly enhance public confidence in air travel security, encourage people to fly in greater numbers, and expedite the flow of passengers through airports." (May 28, 2003) - Dr. Assad Kotaite, President of the Council of ICAO

Western Hemisphere Travel Initiative

Following the National Commission on Terrorist Attacks upon the United States (known as the 9-11 Commission), the US Congress adopted new legislation known as the Intelligence Reform and Terrorism Prevention Act of 2004. Under the legislation, all travellers from Western Hemisphere countries, including US citizens and those living in the Americas, will be required to have a passport or an approved travel document to enter the US. On April 5, 2005, the US government announced the implementation of the Western Hemisphere Travel Initiative. Canadians arriving in the United States by air or sea will require a passport as of December 31, 2006, while those arriving by land will require a passport as of December 31, 2007.

This announcement came as we were preparing this Business Plan. We are now working to assess the potential operating implications and expect to submit a Memorandum to Cabinet outlining the impact and our proposed approach in the fall of 2005.

Personal information and the USA Patriot Act

The US introduced new legislation in 2004-2005, aimed at protecting the country against international terrorism. The USA Patriot Act amends a number of existing US laws, including the Foreign Intelligence Surveillance Act (FISA). Under the amendment to the FISA, the US Foreign Intelligence Surveillance Court (FIS Court) is empowered to issue secret orders to enable the Federal Bureau of Investigation to obtain records from third parties regardless of location or jurisdiction.

As a result, the Treasury Board Secretariat of Canada (TBS) requested all government agencies to determine the risks associated



with these measures, as they pertain to tenders / contracts entered with US based firms or their Canadian affiliates. In September 2004, Passport Canada provided Foreign Affairs Canada with input on the above matter, including a list of all initiatives, contracts (past and future) and Memorandum of Understanding (MOU) throughout the organization, using the selection criteria as defined by TBS.

Passport Canada Legal Services were consulted in regard to the risk represented by the Patriot Act on key corporate initiatives. The risk is defined as the disclosure or direct or indirect access to personal information by the identified supplier of goods or services. After completion of the evaluation of the risk, the Access to Information and Privacy Internal Coordinator indicated that the Agency had completed a satisfactory review of the contracts in reference and that only a minimal risk was assessed.

Rapid technological advance

Technology is continuously evolving which has resulted in an environment where we must constantly reassess security measures and controls. We must remain current with developments as this will keep us ahead of those who would invest in defeating passport security measures or application processes. We must constantly re-examine

and update measures to fight fraud. This will ensure a continued level of passport security and integrity.

4.1.2 The domestic context

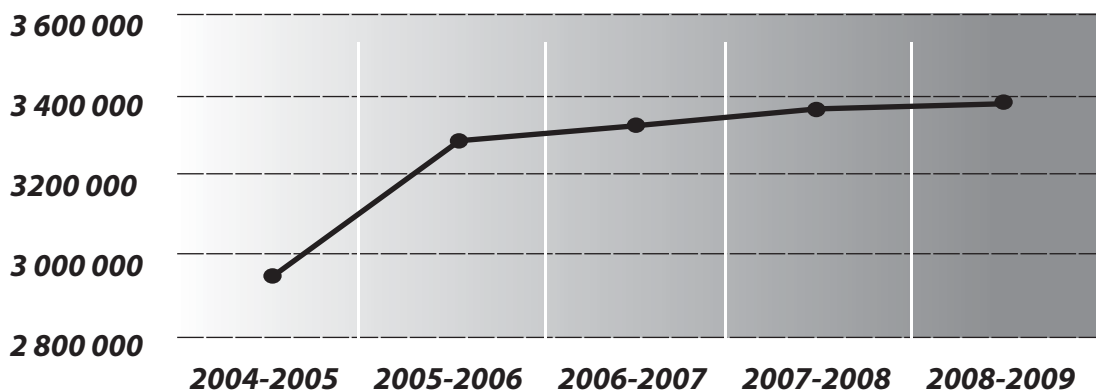
Here in Canada, a number of recent trends will continue to have a direct impact on how Passport Canada must and can operate. Passport Canada operates in an evolving policy framework. Canadians are also using their travel documents for changing purposes. Passports are becoming key identity documents.

This creates a need to be increasingly cognizant of, and in step with, trends in identity theft and the techniques used to thwart or facilitate it. The nature of the economy is also rapidly changing. So is the technology that supports it. This means new business models and new expectations for service delivery. Passport Canada faces challenges in delivering passports that meet Canadians' needs and expectations. These challenges have to do with the service delivered and the product itself. There are several key domestic issues which also impact Passport Canada's planning environment.

Increasing demand for passports

Increased demand places pressure on Passport Canada operations in any situation.

Forecasted Passport Issues 2004-05 to 2008-09



But, when coupled with a need for increased vigilance in verifying passport applications and an applicant's identity, the result is extreme stress on Passport Canada's human and financial resources. We must identify new processes and procedures to help and support Passport Canada in cost-effectively meeting demand.

Trends in establishing identity and identity theft

There is an increasing demand for passports, despite a global downturn in international travel. This is only one indicator that Canadians apply for passports for reasons other than travel. Passports are increasingly used in Canada for identification purposes. They allow the bearer to establish entitlement to a range of public and private services and programs.

Identity fraud is the fastest growing type of fraud in North America. The U.S. Federal Trade Commission reports that it accounts for 40% of all consumer fraud complaints. Privacy advocates in the U.S. indicate that there may be as many as 750,000 victims a year. The Canadian Council of Better Business Bureaus estimates identity theft costs \$2.5 billion a year to consumers, banks, credit card firms, stores and other businesses. It notes that its occurrence in Canada is growing by leaps and bounds.

Once passports are obtained by fraud, they are used in a wide range of identity crimes. Thus, it is clearly important to improve anti-fraud measures in Canadian passport control and issuance systems at home.

Other countries are pursuing initiatives to secure identity and identity documents. In the United States, for example, the US bill implementing the recommendations of the 9-11 Commission, when passed into law, requires that birth certificates, driver

licenses, personal identification cards and social security cards must meet minimum standards before federal agencies accept them.

Government adoption of National Security Policy

In April 2004, the Government of Canada adopted a new, comprehensive National Security Policy. The Policy includes capital funding for commitments to enhance passport security under Passport Canada's Passport Security Strategy.

The Policy supports multiple initiatives in various departments. It calls for the creation of a Threat Assessment Centre, a Government Operations Centre, and a National Security Advisory Council. This will improve the sharing and dissemination of threat information. It will also coordinate responses more effectively.

By adopting the National Security Policy, the federal government is showing that security issues are a priority. It is also putting emphasis on improving cooperation among departments and jurisdictions.

4.1.3 The organizational context

Passport Canada continues to face unique challenges rooted in the nature of its business and organization. Federal spending priorities are experiencing multiple pressures. This will continue over the current planning period. Revitalizing national health care, payment of the national debt, decreasing federal spending — all these priorities compete with Passport Canada's emphasis on enhanced passport security measures. These measures cannot be fully funded from Passport Canada revenue alone. Passport Canada projects are not cost neutral. Neither are current or future initiatives to broaden access and strengthen compliance. They will require funding support to be identified.



Service pressures

There is an increased demand for passports. There is also a need to verify applicant identity and eligibility more carefully, in recognition of heightened security pressures. This has created a significant challenge to the provision of client services. Traditional methods of service delivery are less capable of responding to new volume and security pressures. These methods no longer meet our needs or the public's needs.

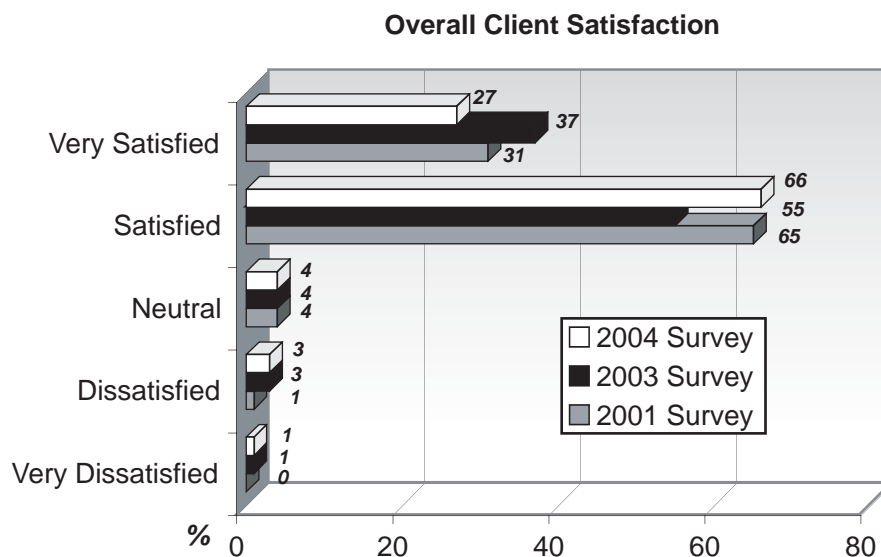
Passport Canada is currently meeting or bettering its published service standards. But it is becoming harder and harder to sustain the level of service expected. Wait times have increased. In 2003-2004, 40% of in-person clients waited more than 45 minutes compared to 36% in 2002-2003. Yearly client satisfaction surveys also show a slight drop in the overall client satisfaction rating, from 96% to 92%. The number of satisfied clients dropped from 65% to 55%. However, the number of very satisfied clients rose from 31% to 37%. "Service responsiveness and reliability in general" remains an important client value and, in a 2004 survey of client expectations, ranks as the fifth most important value attached to passports and passport services.

Most applications continue to be processed through front-counter service. But opportunities exist to change consumer behaviour. Trends indicate a desire for other options. As an overall percentage of applications in 2003-04, mail-in applications increased to almost 16%. More and more of our clients are using alternative service modes available through Members of Parliament or Passport Canada receiving agents. More broadly, we must realize that public and private sectors increasingly use the Internet to deliver services. We must also be aware that customers expect convenience. Over the current planning period, these developments will be addressed by projects such as Passport On-Line.

Government of Canada Initiatives

Several initiatives within the Government of Canada affect how Passport Canada conducts its business.

Passport Canada took part in the Transforming Service for Canadians initiative, which examined all aspects of government service delivery. It sought service efficiency improvements and opportunities for modernization through partnering efforts



among multiple federal departments and agencies. The initiative led to the announcement in the Budget 2005 of the creation of Service Canada, a single window for Government of Canada Services. Service Canada will consolidate and increase points of access for all government delivered services. It will revolutionize how the federal government delivers services to Canadians. A related initiative, Government On-Line, seeks to make government products and services fully accessible through the Internet.

Such initiatives show an increasing trend toward interoperability. They add pressure to review internal systems and seek changes that can support better coordination among departments and jurisdictions, and greater client convenience. Passport Canada is committed to the principles of these initiatives. But it must examine proposed options carefully. It must ensure that integrity and security are not compromised in authenticating identity and issuing passports.

The Users Fees Act

Under regulations made pursuant to the Financial Administration Act, Passport Canada, as a special operating agency, has the authority to charge fees for services provided. Cabinet approves fees jointly recommended by Treasury Board Secretariat and the Minister of Foreign Affairs.

The User Fees Act was passed in Spring 2004. Under the Act, a regulating authority will face parliamentary scrutiny. A regulatory authority is one that has the power to fix a user fee or a cost recovery charge under the authority of an Act of Parliament. The User Fees Act aims to provide greater transparency in the cost-recovery and fee-setting activities of regulating authorities, such as Passport Canada. The Act requires these authorities

to engage in a participatory consultation with clients and other service users, before introducing or amending fees. The User Fees Act is expected to affect how Passport Canada sets and implements fees. Its implementation will be closely monitored.

Human resources challenges

Canadian employers generally face human resource challenges. The workforce continues to age. Employee career expectations are changing. Passport Canada will face these general trends. It also faces unique human resources pressures. These pressures result from rapid growth and the changing nature of Passport Canada's business. Passport Canada has grown almost 175% in the past seven years, from 640 employees in 1997-1998 to 1775 employees as of March 31, 2005. Growth is driven primarily by demand and technology-enhanced security measures. Given the necessary resources, growth can be expected to continue, although not necessarily at the same rate. Rapid growth creates its own issues that must be managed. There is a greater need for employee orientation and training. There are also financial pressures for more office space and working tools.

Also, as the nature of its business changes, Passport Canada requires different skills sets in the near future and beyond. Employees must be more technologically adept. They must have a better understanding of security issues and procedures. They must be more flexible and adaptable than in the past. In the past few years, many Passport Canada initiatives have focused on resourcing in regional offices. Over the current planning period, we must pay more attention to resourcing key areas at Headquarters with experienced and professional staff.



Higher operating costs

As noted in our corporate profile, Passport Canada operates from revenues received through fees associated with passports and other travel documents. Increased demand has led to higher revenues. But the cost of meeting requirements for heightened security measures has significantly increased the unit cost of a Canadian passport. Operational costs are increasing. We need to make new capital investments to support specific security initiatives. We need more staff to implement security measures. As security requirements increase, financial productivity declines. Based on current trends, we can expect the unit cost of a passport to rise beyond the current fee.

Report of the Auditor General

On April 5, 2005, the Office of the Auditor General released the results of an audit of Passport Canada conducted in 2004. The terms of reference of the audit were to determine whether PPTC has designed, implemented, and monitored effective controls over the issuance of passports and whether it has established and achieved reasonable levels of service, at a reasonable cost. The audit noted several areas for improvement, including weaknesses in the investigation of special cases, the need to rectify deficiencies in watch lists, improve performance measurement and undertake effective contingency planning. While many remedial actions have already been taken, as noted above, the audit highlighted some of the difficulties Passport Canada continues to face as it works to meet both increasing security expectations and demand for service.

4.2 The planning environment – A summary

We live in a world of technological and political change. We must be proactive and flexible to keep pace. The global security environment has developed rapidly, due to increased risks of terrorism and identity theft. Canada is under international pressure to implement next-generation passport security measures, systems and controls. There are new international standards for chip-enabled passports, machine-readable travel documents, and biometrics. Passport Canada must adopt these standards so that Canadians may continue to travel safely and freely.

There has been a significant shift in the policy framework in which Passport Canada operates. In the past, this framework primarily emphasized the delivery of service. Now, it is rooted in domestic and global security, guided by Canada's National Security Policy.

Canada continues to play a key role in the global economy. More and more Canadians are applying for passports. There is continuing pressure to maintain existing service levels. At the same time, we must ensure that security requirements are met. We must also recognize difficulties related to human and financial resources.

Thus, our primary challenge for the current planning period is to alleviate service pressures while meeting the need for rigorous security measures. We must do all of this in the context of increasing pressures on existing resources.



4.3 Mission

Passport Canada is the official body responsible for administering the Canadian Passport Order. Passport Canada's mission is:

"To issue internationally respected travel documents"

To support us in delivering on our mission, we must focus our business activities on products Canadians can be confident in and proud to carry. We must produce travel documents featuring the best in anti-fraud protection measures. At the same time, we must provide quality service.

This dual focus on security and service expresses our view that Canadians can and should expect to be issued world-class travel documents.

4.4 Strategic priorities

Passport Canada's mission establishes the foundation for its strategic priorities. These priorities are established in response to the pressures identified above. Strategic priorities in this Corporate Plan derive from the mission, achievements from the previous planning cycle and recognition of new challenges emerging in our operating environment.

To support business planning over the 2005-2008 period, Passport Canada has developed a set of overarching, action-oriented strategic priorities: **strengthening compliance, broadening access, and continuing corporate improvement.**

Strengthening compliance means ensuring that Canadian passports are designed, issued, and managed in a context that recognizes international requirements, expectations and developments for travel documents. It leads us to initiate activities to improve Canadian travel documents and

the integrity of the entitlement process. Strengthening compliance means focusing on security requirements. However, it also improves customer service delivery by improving the end product.

Strengthening compliance also supports Passport Canada's long-term vision and strategic orientation. It provides the foundation for world-class products. It gives prominence to the security of identity systems. It helps Passport Canada to develop its role on the international security scene.

Broadening access means ensuring that Canadians can obtain our services through multiple application channels. Broadening access drives Passport Canada to improve accessibility and service delivery. This means increasing flexibility, focusing on clients, and managing demand more effectively. By undertaking activities to support this strategic priority, we will enhance client services. This will also help us cope with cost-related pressures associated with increased demand and higher volumes. Passport Canada services will be accessed and used in more efficient and cost-effective ways. This will help to ease fiscal pressures on operations. Broadening access supports Passport Canada's long-term vision and strategic orientation. It encourages the introduction of simplified, timely and modern service initiatives.

Continuing corporate improvement means constantly evaluating and reassessing our business practices and operations to make them better. This strategic priority recognizes and addresses the need for a solid foundation on which to build our security and service efforts, and a corporate framework that facilitates cost containment and reduction efforts. Under this strategic priority, activities seek to strengthen the leadership of the organization, and the quality and efficiency of all aspects of



its business. Over the current planning period, given financial pressures, we attach particular importance to projects estimated to produce cost savings or efficiencies in passport operations. Continuous corporate improvement is an essential element in supporting Passport Canada's transformation as we envision it.

Together, these three strategic priorities orient Passport Canada's activities in meeting the operating environment's core challenges. These challenges are: enhanced security, maintained or improved service, and greater management and cost efficiency. Passport

Canada reflects these priorities in our strategic objectives. They underpin our entire decision-making process.

The following table presents the strategic direction in a matrix form. It shows Passport Canada's core strategic priorities. It also shows the associated strategic objectives for the current planning period. The table summarizes the rationale for the strategic objectives in the context of the operating environment and shows key performance indicators.

STRATEGIC PRIORITY	STRATEGIC OBJECTIVE	RATIONALE	KEY PERFORMANCE INDICATOR
Strengthening compliance	Improve Canadian travel documents and the integrity of the entitlement process	To ensure that Canadians can continue to travel easily abroad, our travel documents must meet or exceed international standards for security and reliability. The more rigorous the design, processes and procedures for Canadian passports, the more they will be respected internationally which will continue to facilitate Canadians to travel.	Percentage of fraudulent applications (vs. established target)
Broadening access	Improve accessibility and service delivery by increasing flexibility, focus on clients and better managed passport demand	To reduce current service delivery pressures and improve client satisfaction, Passport Canada must explore broadening the ways and means Canadians can access its services. Broadening access will allow PPTC to increase convenience for clients. It will also help to cope with increases in demand.	Percentage of volume by service channels (vs. established target)
Continuing corporate improvement	Strengthen the leadership of the organization in all aspects of its business	To successfully implement our strategic priorities and achieve the strategic objectives, Passport Canada must ensure it has the business processes, tools and resources to support both project and program initiatives.	Percentage of corporate projects completed on time and on budget. Return on value is achieved (vs. established target).



The Passport Canada Business Plan outlines the major activities, goals, performance indicators and targets that Passport Canada will pursue over the planning period. Together these represent a coherent plan of action. This plan will ensure progress toward the strategic priorities and objectives outlined in the Corporate Plan.

5.1 Major activities under the strategic priorities 2005-2008

Major activities to be undertaken derive directly from the strategic direction. As such, they are articulated by strategic priority area. They are also directly linked to strategic objectives.

5.1.1 Strengthening compliance

Maintaining and improving passport security is one of Passport Canada's primary activities. Passport security comes under threat in two ways: (1) impostors attempt to obtain a passport using another person's identity; (2) the passport book is tampered with, either by substituting data in a correctly issued passport (such as replacing the photograph), or by counterfeiting the document outright. Effective security measures must address both types of threat.

Passport Canada has identified initiatives to reduce passport fraud. These initiatives ensure that the Canadian passport maintains its high level of respect internationally. They also contribute to global and international efforts related to identity authentication and secure document processes. The international context is changing. More and more emphasis is being put on security. Our Business Plan 2005-2008 thus gives prominence to security-related initiatives. We must plan several initiatives to remain consistent with global developments and expectations. Passport Canada will undertake

a broad-based review of its legislative framework and its fee structure. This includes reviewing how security issues could affect the Passport Order in its current form, and developing a strategy to increase revenues, including a passport fee increase, to support the operating costs of passport security initiatives.

Under this strategic priority, major activities have the following outcome-related goals:

- to improve fraud prevention and detection;
- to increase cooperation and collaboration with other jurisdictions.

Major activities include the following:

E-Passport: The E-Passport is a passport with an embedded electronic chip. This chip contains the bearer's biographic information and photograph. Including such a chip makes forgery or tampering more difficult. An E-passport is the new international standard for travel documents. Its introduction will ensure that Canadian passports keep pace with those of the Five Nations Group (Australia, Canada, New Zealand, United Kingdom and United States). The Five Nations Group meet twice a year to exchange information and best practices on passport issues.

Funding has been committed for capital costs required to pilot a limited version of E-Passports. This will occur in late 2006-2007, using diplomatic and special passports. Costs must be identified for full implementation. Increased user fees or other funding sources must be sought to support E-Passports if the Government of Canada determines that they are to be introduced. Due to the requirement to identify funding for full implementation of e-passport, Passport Canada will pursue a revised fee schedule over the current planning period.



Mission Passport Print Solution Project

(MPPS): At present, Canadian passports issued in Canada benefit from the latest developments in technology and anti-fraud improvements. Those issued in consular offices abroad do not. For example, most passports issued abroad are not machine readable and do not feature digital photo images. This represents a security concern, as foreign-issued Canadian passports are more vulnerable to fraud. It also represents inequality of service in product quality.

The Mission Passport Print Solution Project will return the responsibility for full-service passport production to domestic operations. This will ensure that, when non-emergency documents are issued overseas, they are machine-readable and provide the latest in enhanced security features. This project will also enable embassies and consulates to produce an improved, security-enhanced, limited-validity temporary passport on site when needed. The mission printing project represents an improvement in the product received by Canadians abroad. The project will introduce a cohesive policy on issuing and using temporary passports abroad. It supports the achievement of our objectives overseas by standardizing the product for all Canadians. By repatriating passport production from missions abroad, the project will also help address the concern expressed by the Auditor General in her report of April 5, 2005, that control over issuance of passports abroad presents security risks.

Treasury Board has approved the Mission Passport Print Solution Project and committed capital costs required to implement this project. Over the current planning period, a pilot project will begin in Hong Kong in 2005. After the pilot project has been evaluated, the delivery and business models will be adjusted as appropriate. Full implementation will occur in 2005-2006.

Facial Recognition Software (FR): FR is a way to identify a person by their unique facial features, using advanced computerized recognition techniques. Passport Canada completed a study of concepts and products in the use of FR. The study showed FR's viability and effectiveness. FR would allow Passport Canada to compare applicant photographs against stored images in its own database. This would provide a highly effective tool for screening new and renewing applicants. It would reduce the potential for multiple identities and other types of passport fraud. Testing indicates that FR would flag passport holders who fraudulently apply for a second passport, using another name, or who fraudulently seek to renew a passport. FR would also eventually allow rapid comparison of applicant photos to those on a watch list, provided by CSIS, or those for whom an immigration warrant has been issued, provided by CIC. This would support enhanced national and international security. It would also support greater international cooperation on more stringent measures to fight terrorism. Introducing FR is consistent with Passport Canada's strategic orientation of focusing on identity systems and policies in Canada. It will enhance passport security.

In 2002-2003, the FR project was the subject of accuracy and performance testing against one of the world's largest test databases. A comprehensive technical evaluation was done, with promising results. Funding has been identified for capital costs. Implementation is being planned. Over the current planning period, effective project approval will be sought to implement FR, and sources will be identified to fund ongoing operating costs.

National Routing System (NRS): The NRS is conceived as a national network that will make it possible to validate vital-



events information needed to authenticate citizenship and identity. One element of the NRS, the query functionality, would allow users (such as Passport Canada) to query provincial vital statistics databases to validate information related to citizenship or identity. Implementation of this project is expected to significantly improve the ability of examiners to verify vital statistics. The query functionality was successfully piloted in 2003. An expanded trial to establish electronic links for verification of identity data, involving several federal government departments and two provinces, is scheduled for launch in July 2005. Over the current planning period, Passport Canada will also take part in a more comprehensive pilot of the NRS. Implementation of the pilot is planned for July to November 2005. Results will be evaluated in the latter part of 2005-2006. This system will be further developed as funds become available.

Identity Policy: We have developed a proposed National Identity Policy Framework. We consulted with the Federal/Provincial/Territorial (FPT) Council on Identity and several interested federal departments. The Framework is based on the concept of foundation events. It incorporates the principles of universality, privacy protection and risk management. Passport Canada's strategic orientation is toward greater focus on the role of passports as fundamental identity documents. In keeping with this, Passport Canada has been a key player in developing the policy framework and building support for it at the federal level. Passport Canada will continue its efforts to champion a National Identity Policy Framework through 2005-2008. The FPT Council on Identity was created after Federal and Provincial Ministers have agreed that current Canadian identity policies require review and that new approaches to identity be considered.

Implementation of a Case Management System: Passport Canada is researching case management software with the intent of having a security and intelligence case management system in place by Fall 2006. This important tool, along with facial recognition technology, will enable management to strengthen the process of verifying identity before the issuance of a Canadian passport, strengthen the investigation of special cases, and thereby respond to recommendations in the report of the Auditor General April 5, 2005.

Creation of Regional Security Units: The creation of new Regional Security units reporting to both regional and Passport Canada headquarters will further ensure that the security continuum, from identity verification to passport printing, is strengthened. In fiscal year 2006-07, new regional security officers will be hired for this purpose. The units will be located in regional headquarters across the country and will be used to support the compliance program, conduct on-site interviews of applicants with complex cases, and investigate fraudulent applicants or applications. Regional Security Units will also respond to recommendations in the Report of the Auditor General.

Security Risk Assessment: In her report of April 5, 2005, the Auditor General recommended that Passport Canada conduct a detailed security risk assessment of the passport examination and security functions. Together with Foreign Affairs Canada, Passport Canada has launched a risk assessment to address strategic risk, including in the area of security. Once these results are received, a more detailed and focused security risk assessment will be conducted. This will be accomplished in fiscal year 2005-06.



Linkages with the Canadian Police

Information Centre: In order to support and improve upon the ability of Passport Canada to administer the provisions of the Passport Order pertaining to refusal and revocation, Passport Canada will explore electronic linkages with the Canadian Police Information Centre. In 2005-06, Passport Canada will further define the business requirements for effective information sharing and determine the system and staffing requirements needed to support it, with a view to establishing linkages as quickly as possible. This project will respond to specific recommendations contained in the Auditor General's report to explore links to the Canadian Police Information Centre in order to improve the administration of sections 9 and 10 of the Passport Order.

Next Generation Passport Issuing System:

Passport Canada uses a custom designed software solution to manage the issuance of Canadian passports. The system was designed at an earlier time, in a context very different from today. It does not allow for sophisticated data management and reporting that would assist in enhancing Canadian passport security. Over the current planning period, Passport Canada will pursue the development of a next generation passport issuing system. Such a system will improve the security of passport issuance processes, and will address several of the findings of the Auditor General in her report of April 5, 2005. Specifically, a next generation passport issuing system will improve the tools available to passport examiners in the performance of their duties, enhance the security access, provide detailed tracking information about examiners entitlement activities and move towards a better security alert process.

5.1.2 Broadening access

Passport Canada has historically enjoyed a high level of client satisfaction. However, many pressures pose mounting challenges to sustain that level of satisfaction and keep meeting identified service targets. There is a greater demand for passports, as more people travel. Passports are increasingly used as identity documents. Heightened security measures are being implemented. The public expects convenience and agency responsiveness. Providing improved security and service entails added costs. Passport Canada is currently undertaking several initiatives. It seeks to diversify its methods of service delivery. It also seeks to enable Canadians to apply for and receive passports through additional channels. We will use a unit cost-based approach to evaluate the viability and efficiency of these initiatives. Under this strategic priority, major activities have the overarching outcome-related goals below:

- reduced wait and turnaround times;
- increased points of access;
- reduced unit costs.

Major activities include the following:

Receiving Agents Initiative: At present, 23% of the population lives more than 100 kilometres from a regional passport office. To improve access, Passport Canada has worked with key partners to develop a network of offices where Canadians can apply for a passport.

Canada Post outlets and Service Canada Centres are in operation as receiving agents for Passport Canada. Over the planning period, Passport Canada will explore ways to



expand our HRSDC/Service Canada network of receiving agents, which should include several hundred offices.

Passport On-line The Passport On-line project began as a direct result of the Government's priority to provide key government services on-line. This project takes advantage of Internet technology. It provides applicants with greater access to passport services and will offer Passport Canada future opportunities to provide indirect services to applicants. This will reduce wait and turnaround times for front-counter and mail-in operations.

Over the previous planning period, the Passport On-line project completed development of an on-line, downloadable application form. In the next phases of this project, the Passport On-line project will implement a fully interactive application form. Applicants will be able to complete their passport application on-line. They will then submit the data electronically to Passport Canada. Future plans call for adding on-line payment and attaching photos.

Renewals Project: When a Canadian passport expires, it cannot be renewed. Simply put, to complete a new application, the passport holder must resubmit documentation provided with the previous passport application, such as a birth certificate. In effect, the passport holder must reapply. This puts pressure on operating efficiencies and customer service.

In the previous planning period a pilot of a simplified renewal process took place. An evaluation of the pilot project has occurred and it was decided that during the current planning period the program will continue and Passport Canada will offer qualified applicants the option to renew their passport through a simplified mail-in service. The

goal is to issue 30,000 passports this fiscal year. This will use a selection and invitation process. It will invite clients to renew passports issued in 1999 and 2000. Applicants are expected to benefit from a simpler application process and quicker turnaround time. Actively offering to renew a passport may also give Passport Canada the chance to flatten the demand curve. This will reduce counter wait times and turnaround times during the busy season. This will include an eventual option to renew interactively on-line.

The renewals project has the potential to offer cost savings by possibly reducing unit costs. More importantly, it is a key building block in implementing the dual stream process. This process is outlined in the long-term vision and strategic orientation above.

5.1.3 Continuing corporate improvement

The people, processes, and tools must be in place to support and reinforce our efforts to enhance passport security and service for all Canadians. It is essential that this is done, but we operate with a limited budget. More than ever, we are required to examine every aspect of our work. We must ensure maximum efficiency for cost-effectiveness. To succeed in strengthening compliance and broadening access, we must establish the corporate conditions needed to improve. We must ensure that corporate systems and practices maximize our opportunity to contain costs. Under this strategic priority, major activities will have the overarching outcome-related goals below:

- cost containment and efficiency;
- improved business assurance;
- improved human resources management practices.



Major activities include the following:

Print Centre Workflow Optimization: This project will use the LEAN methodology approach. It will review and refine our centralized print centre operations in Mississauga, Ontario, and Gatineau, Quebec.

Optimizing print centre operations will help reduce the pressures of higher demand for travel documents. Optimized workflows in print centres will also help to reduce the costs of reprinting “spoiled” passports, which will become increasingly important with the introduction of new and more costly technology such as a biometric chip being incorporated into the book. Implementation will be integrated in the Next Generation Issuing System initiative, as part of defining requirements for the new system.

Review and Standardization of the

Front-Counter Process: As noted in our key achievements above, we used the LEAN methodology to review and refine mail in and Member of Parliament processes. A pilot of the new processes was conducted indicating the following results: reduced cost per application; increased productivity; and reduced processing time. Implementation is underway; performance will be monitored in order to determine the full efficiencies achieved.

Over the current planning period a similar project will explore whether or not the LEAN methodology, used for the mail-in project, could be applied to other areas of Passport Canada to increase productivity and reduce costs, for example in front counter centres.

Implementation and Revision of Human

Resources Action Plan: As presented in the previous business plan, we will continue ongoing implementation of the Human Resources Strategic Action Plan over the current planning period. We will review elements of the action plan to

incorporate potential impacts that stem from implementing the Public Service Modernization Act. Over the course of the current planning period, the Human Resources Action Plan will be integrated with strategic planning.

Strategic Resourcing Guide: An initiative is underway to give the organization the planning tools it needs to address specific shortfall areas. We are currently developing a draft strategic resourcing guide. We are also extracting relevant demographic data. This will help the organization to integrate the HR plans into the business planning process. The Public Service Modernization Act requires us to incorporate this planning element into the organizational business planning process.

Enhanced Training: Passport Canada will implement improved examiner training including a special course on fraudulent documents, next version training including new technology, and increased frequency of refresher courses. In addition, special training aimed at employees in consular missions, including both Canada-based and locally engaged staff, will be implemented jointly with Foreign Affairs. Enhanced training for both examiners and mission staff will emphasize security-related issues and enhancements. The frequency of refresher training will also be augmented. This project will address recommendations of the Auditor General that Passport Canada provide more thorough training for consular offices, and ensure comprehensive training for examiners.

Development of a Quality Assurance

Program: A credible quality assurance program will be implemented. The program will include quality measures and procedures for the examiner functions, and key entitlement operations. Independent audits will be performed by the Inspector General Office of the Department of Foreign Affairs based on established criteria with the goal of identifying the baseline in this fiscal year



(2005-06). This project is being implemented in response to recommendations by the Auditor General.

Development of a Strategic Management Framework:

A Strategic Management Framework will be developed and implemented in 2005-06. It will integrate strategic and business planning throughout Passport Canada, and will identify key performance measures. As part of identifying performance measures, development of the Strategic Management Framework will include the development of additional service standards such as e-mail, other correspondence and telephone. It will also encompass the introduction of a balanced scorecard with a series of cost, performance, and security indicators. It will be introduced in 2005-06 and be fully operational by 2007-08. With this approach, Passport Canada will be better able to determine the impact of new initiatives on its cost structures and be in a better position to take the appropriate action.

Activity-Based Management: The ABM project will introduce activity-based costing, linking resource utilization and activities and subsequently activities and products and services. With the implementation of activity-based management, Passport Canada will be able to achieve two main objectives. First, it will give the precise cost of Passport Canada products and services. Second it will provide a management tool to help managers better forecast resources to cope with forecasted volumes.

Activity-based costing will be introduced in 2005-06 and be fully operational by 2007-08. It will allow Passport Canada to align costs with business lines and service standards

Review of the Security Bureau: Passport Canada is redefining the mandate of the Security Bureau to identify core functions

and processes. From this review, a plan for restructuring this Bureau and additional recommendations will be developed to narrow the focus of several divisions while introducing experienced senior managers and reviewing staff development and training. The plan will be in place in fiscal year 2005-06.

Introduction of Contingency Planning:

Over the current planning period, Passport Canada will introduce risk management practices and short-term plans to deal with fluctuations in volumes from both financial and operational perspectives.

Project Management System: A Project Management Bureau was established in February 2005 to allow Passport Canada to prioritize its improvement initiatives and rank them according to approved project management criteria. Improved project management processes will have a positive impact in supporting the long-term strategic vision of the Passport Canada as a whole.

Consultation: This project includes increases to the number of surveys conducted by Passport Canada. This will improve client consultation, and improve volume forecasting capacity. In addition, Passport Canada must consult on proposed increases to user fees. Therefore, this project also includes planning and consultation required under the User Fee Act.

5.2 Key tasks, performance measures and targets for 2005-2008

Appendix A presents the Business Plan in table form. For each major activity, the Plan outlines the key tasks, performance measures and targets Passport Canada will pursue in 2005-2008.



6.1 Budget

This section presents Passport Canada's budget and fiscal situation. It explains the current context as determined by 2004-2005 expenditures. It also highlights constraints for the current fiscal year, to clarify how they affect forecasts for the next three years, until 2008-2009.

6.2 Current context

The 2004-2005-fiscal year ended with better results than originally expected. While demand turned out to be lower than anticipated at the start of the year, strict spending controls were a success. As a result, the required access to the Passport Canada revolving fund accumulated balance was lower than expected.

Actual 2004-2005 expenditures show \$167.2 million in revenues. This represents a 5.6% increase from revenues for the previous year. This increase can mainly be attributed to a 4.8% increase in demand for Passport Canada products. During the same period, operating costs rose by 12% to \$167.5 million, resulting in a small deficit of \$0.3 million for the year.

The biggest dollar cost increases were for salaries and employee benefits, which rose to \$94.5 million, representing a 10% increase over the previous year. Freight, express and cartage rose significantly to \$14.9 million, representing a 39% increase over the previous year, mainly as a result of increased postage rates, and also because of more use of mailouts and increased demand.

Managing Passport Canada's operating expenses poses a particular challenge, as demand peaks mainly at the end of the fiscal year. During fiscal year 2004-2005, Passport Canada was able to offset demand-related cost increases by strictly controlling other expenditure items. Passport Canada thus

managed to maintain its accumulated net cash balance at \$7.4 million for the year ended March 31, 2004.

6.3 Constraints for 2005-2006

Financial projections for 2005-2006 were revised in June 2005, in light of the most recent available volume forecast. They also incorporate a \$2 increase per passport approved in December 2004 by the Minister of Foreign Affairs to recover increases in the cost of mailing passports. Expenditures were updated to reflect current projected demand. This revision includes the impact of initiatives provided for in this corporate plan and other planning assumptions.

For fiscal year 2005-2006, demand is forecasted to increase 14% over 2004-2005 levels. This requires that Passport Canada adjust its spending accordingly and respond effectively to the demand, while at the same time providing an appropriate service to its clientele, and preserving a high level of security in issuing all travel documents.

Based on the new forecasts, the increase in demand will generate \$29 million in added revenues compared to 2004-2005. But it will also result in directly related cost increases, totalling \$33.1 million, if we are to maintain acceptable levels of client service. These increases include mainly salaries and employee benefits in the amount of \$15.8 million, \$3.2 million for freight, express and cartage, and \$2.4 million for information and application forms. These three items represent close to three quarters of the increase and are closely related to the increase in demand. The remainder of the increase is largely attributed to additional costs for professional services, accommodation and amortization. Considering all cost impacts, the anticipated result is a net loss of \$4.7 million. When combined with other cash elements, this



will translate into cash utilization of \$1.5 million. Passport Canada must therefore use its accumulated cash balance to cover this amount.

Passport Canada's short-term flexibility is extremely limited. Salaries and benefits represent a large share of its operating expenses. The increase in salaries and benefits stems in part from increases in salary rates as a result of collective agreements. It also stems from fluctuations in the calculation of employee benefit costs and the increase in volume. Passport Canada has no influence on the salary scales and increases in benefits, but it can control the number of FTEs it uses. Passport Canada has therefore put more emphasis on hiring terms and casuals to meet peak period demands this year. The use of passport materials, freight, express and cartage, and application forms are directly linked to the increase in volume.

Other operating costs — such as accommodations, passport operations at missions abroad and amortization — are amounts predetermined by agreement or by the capital asset base and are relatively fixed. To the extent possible, these expenses will be kept at the strict minimum level required to meet demand.

While the 2004-2005 capital plan included four projects to open temporary offices, Passport Canada does not expect to allocate more funding to develop new offices in the current year, but will diversify the points of service offered through the receiving agents project, so as to absorb the increase in demand. At the same time, it will limit its investment in infrastructure while it carries out other initiatives, such as those related to security requirements.

While Passport Canada normally allocates funds to capital projects with the highest break-even point within the limits of its resource envelope, it is also faced with

having to undertake projects purely intended to improve service or meet security expectations. For instance, capital spending includes the Mission Passport Print Solution project, which resulted from the National Security Policy, Facial Recognition and e-Passport, for which only the pilot stage has been approved, and for which a capital cost funding reserve has been established at Treasury Board.

In summary, while the increase in demand for travel documents is having a positive effect on revenues, Passport Canada will assume major expenses to meet that increased demand. Passport Canada has an obligation to maintain high security standards, and must also maintain an acceptable level of service for our clientele. Passport Canada projects a net loss for fiscal year 2005-2006, and anticipates using its accumulated cash balance to cover this loss through the Revolving Fund's non-lapsing authority.

A critical factor in this planning is the assumption that Passport Canada will receive TB funding to implement the recommendations in the OAG's 2005 report. Should this funding not be forthcoming or be delayed, and given that Passport Canada will be operating close to its financial limits, responses to the AG's concerns will have to be delayed accordingly, thereby jeopardizing the security, productivity and service gains anticipated to result from addressing these issues.

6.4 Medium term projections for 2006-2007 and the next two years

Financial projections for 2006-2007 and the next two years have been revised to reflect the most recent updates to volume projections that include the Western Hemisphere impacts discussed above. These projections differ significantly from those



underlying the information presented in the current accepted Annual Reference Level Update (ARLU) and Passport Canada will incorporate these in its proposal for the subsequent ARLU. These financial projections do not include the operating costs associated with the implementation of the initiatives for the National Security Policy.

The most recent OAG report, mentioned earlier in this Business Plan, creates additional pressures on Passport Canada for the next fiscal year. An action plan, presenting a costing of all required activities necessary to address OAG concerns presented in this report, has been prepared. The total capital cost is estimated to be \$15.5 million allocated over 2005-2006 through 2007-2008.

For fiscal year 2006-2007 volume is expected to be only 0.4% over 2005-2006, resulting in revenue remaining virtually flat relative to the previous year. However operating expenses are expected to increase some 3.6%, resulting in a net loss of \$10.8 million thereby absorbing most of Passport Canada's accumulated reserve. From that point onwards, Passport Canada plans to gradually improve its fiscal situation. It will realize gains in productivity from initiatives launched in preceding years, it will maintain its infrastructure at the current level and it will engage in more rigorous cost control.

For fiscal years 2007-2008 to 2008-2009, gains in productivity should have a positive impact on the fiscal situation, returning to a profitable situation in 2008-2009. While in 2007-2008 funds for capital projects will be severely restricted, beginning in 2008-2009 profits will be reinvested to modernize Passport Canada's technology infrastructure. They will also be invested in new initiatives that will show a high rate of return on investment. At the end of 2008-2009, a recovery of Passport Canada's accumulated cash balance, to \$12.8 million, is anticipated.

Key elements of the Passport Canada fiscal strategy to improve its financial situation include the following:

- Control of total payroll, by reengineering passport issuance processes, the renewal project and Passport On-line.
- Control of infrastructure expenditures by diversifying points of service via receiving agents. No new office openings are planned over the forecast period. Relocation projects will be kept to a minimum. All leases will have terms of five years or more.
- Strengthening the initiative to allocate funds to the most productive capital projects.
- Passport Canada intends to develop a new model to manage and analyze costs by activity. This will allow it to better predict long-term financial needs.
- Passport Canada has conducted a review of the costs of the diplomatic passport and associated services. An adjustment to the amount charged to various departments using this service (from \$57 to \$160) has been approved. This adjustment is projected to result in \$1.5 million in additional revenue in each fiscal year. The pro-forma financial statements shown below assume this will take effect in 2005-2006.
- Passport Canada has started the planning process that will lead to a fee increase being submitted to Parliament. The extent of the adjustments required will depend on the projected costs of passport security initiatives, combined with the results of other efficiency initiatives and cost pressures as identified in the Corporate and Business Plan.



6.5 Passport Canada pro-forma financial information

**Passport Canada Revolving Fund
Proforma Statement of Operations
(in thousands of dollars)
BR1 & LTFP 2005-06**

	Actuals			Plans		
	2003-2004	2004-05	2005-06	2006-07	2007-08	2008-09
Revenues	158,370	167,213	196,264	197,272	215,261	276,304
Expenses						
Salaries and employee benefits	85,872	94,470	110,596	115,945	128,449	150,939
Amortization	8,862	11,091	14,117	13,618	10,780	11,162
Passport material usage	12,498	12,107	14,190	14,278	15,676	20,275
Professional and special services	7,642	8,456	10,463	10,940	10,660	10,802
Passport operations at missions abroad	4,447	4,447	4,447	4,447	4,447	4,447
Accommodations	7,692	9,875	10,546	10,621	10,729	10,831
Freight, express and cartage(incl postage)	10,677	14,929	18,097	18,403	22,063	28,233
Printing, stationery and supplies	3,094	2,823	4,038	4,679	4,028	4,389
Telecommunications	1,961	2,394	3,348	3,480	3,575	3,705
Information (incl application forms)	1,774	1,920	4,287	4,554	4,372	5,397
Travel and removal	1,589	1,565	2,329	2,747	2,853	2,960
Repair and maintenance	2,630	2,679	3,421	3,287	3,770	3,984
Rentals	276	302	403	402	436	456
Other	130	425	651	700	693	718
Interest on loan accrued	231					
Total Expenses	149,378	167,483	200,933	208,101	222,533	258,299
Net profit (loss)	8,992	(270)	(4,669)	(10,829)	(7,272)	18,005
Forecast volume increases			14.0%	0.4%	9.7%	28.0%
Cash Forecast						
Net Profit (Loss)			(4,669)	(10,829)	(7,272)	18,005
Amortization			14,117	13,618	10,780	11,162
Capital (including Security Strategy)			(16,904)	(14,274)	(9,741)	(16,891)
Purchased Passport Material			(16,860)	(15,320)	(17,235)	(20,551)
Usage - Passport Material			14,190	14,278	15,676	20,275
Interest on drawdown accrued			0	(0)	0	0
T.B. funding for OAG report			3,826	3,609	8,014	
T.B. funding for Passport Security Strategy			7,809	608		
Total Cash Provided (Used)			1,508	(8,311)	222	11,999
Accumulated Net Cash Balance at March 31	20,063	16,683				
Amounts charged after March 31	10,356	(14,064)				
Amounts credited after March 31	196	4,809				
Accumulated Net Cash Balance at the end of the year	9,903	7,428	8,936	625	847	12,846
Authority limit			4,000	4,000	4,000	4,000
Authority available (Shortfall)			12,936	4,625	4,847	16,846

Note: The 2005-06 forecast includes the anticipated impact from the announcement of the Western Hemisphere Travel Initiative made in April 2005 determined through a survey of Canadian travellers. The forecasted volumes for 2006 to 2009 reflect the incremental implementation of WHTI culminating in full implementation in 2008-2009.

**Passport Canada Revolving Fund
Proforma Statement of Operations
(in thousands of dollars)
BR1 & LTFP 2005-06 (NO FUNDING OF OAG PROJECTS)**

	Actuals			Plans		
	2003-2004	2004-05	2005-06	2006-07	2007-08	2008-09
Revenues	158,370	167,213	196,264	197,272	215,261	276,304
Expenses						
Salaries and employee benefits	85,872	94,470	110,596	115,945	128,449	150,939
Amortization	8,862	11,091	14,117	13,618	10,780	11,162
Passport material usage	12,498	12,107	14,190	14,278	15,676	20,275
Professional and special services	7,642	8,456	10,463	10,940	10,660	10,802
Passport operations at missions abroad	4,447	4,447	4,447	4,447	4,447	4,447
Accommodations	7,692	9,875	10,546	10,621	10,729	10,831
Freight, express and cartage(incl postage)	10,677	14,929	18,097	18,403	22,063	28,233
Printing, stationery and supplies	3,094	2,823	4,038	4,679	4,028	4,389
Telecommunications	1,961	2,394	3,348	3,480	3,575	3,705
Information (incl application forms)	1,774	1,920	4,287	4,554	4,372	5,397
Travel and removal	1,589	1,565	2,329	2,747	2,853	2,960
Repair and maintenance	2,630	2,679	3,421	3,287	3,770	3,984
Rentals	276	302	403	402	436	456
Other	130	425	651	700	693	718
Interest on loan accrued	231					
Total Expenses	149,378	167,483	200,933	208,101	222,533	258,299
Net profit (loss)	8,992	(270)	(4,669)	(10,829)	(7,272)	18,005
Forecast volume increases			14.0%	0.4%	9.7%	28.0%
Cash Forecast						
Net Profit (Loss)			(4,669)	(10,829)	(7,272)	18,005
Amortization			14,117	13,618	10,780	11,162
Capital (including Security Strategy)			(16,904)	(14,274)	(9,741)	(16,891)
Purchased Passport Material			(16,860)	(15,320)	(17,235)	(20,551)
Usage - Passport Material			14,190	14,278	15,676	20,275
Interest on drawdown accrued			0	(0)	0	0
T.B. funding for OAG report			0	0		
T.B. funding for Passport Security Strategy			7,809	608		
Total Cash Provided (Used)			(2,318)	(11,920)	(7,792)	11,999
Accumulated Net Cash Balance at March 31	20,063	16,683				
Amounts charged after March 31	10,356	(14,064)				
Amounts credited after March 31	196	4,809				
Accumulated Net Cash Balance at the end of the year	9,903	7,428	5,110	(6,810)	(14,602)	(2,603)
Authority limit			4,000	4,000	4,000	4,000
Authority available (Shortfall)			9,110	(2,810)	(10,602)	1,397

Note: The 2005-06 forecast includes the anticipated impact from the announcement of the Western Hemisphere Travel Initiative (WHTI) made in April 2005 determined through a survey of Canadian travellers. The forecasted volumes for 2006 to 2009 reflect the incremental implementation of WHTI culminating in full implementation in 2008-2009.



KEY TASKS, PERFORMANCE MEASURES AND TARGETS FOR 2005-2008

This section outlines, within each major activity, the key tasks, performance measures and targets the Passport Canada will pursue in 2005-2008

<i>Strategic Priority</i>	<i>Major Activities / Projects</i>	<i>Major Planned Milestones</i>	<i>Key Performance Indicators / Targets</i>
Strengthening Compliance	Mission Printing Project	<ul style="list-style-type: none"> • Pilot in Hong Kong by Fall 2005 • Roll out completed in 2006 	<ul style="list-style-type: none"> • Canadian passports issued abroad current with international specifications / requirements • Reduced risk of forgery of Canadian passports issued abroad
	E-Passport	<ul style="list-style-type: none"> • Specimens available by July 2006 • Available to Canadian diplomats and ministers by July 2006 • National roll out to begin in July 2007 	<ul style="list-style-type: none"> • Increase in fraud detection • Canadian passports current with international specifications / requirements • Secured international reputation for the Canadian Passport
	Facial Recognition Software (FR)	<ul style="list-style-type: none"> • Implementation to begin in fiscal year 2006-2007 	<ul style="list-style-type: none"> • Increase in fraud detection
	NRS Project	<ul style="list-style-type: none"> • Development of NRS Pilot Initiative: 30 April 2005 • Implementation of NRS Pilot Initiative: July - October 2005 • Pilot Evaluation Report: December 2005 • Business Case & Sustainability Strategy: March 2006 	<ul style="list-style-type: none"> • Support for NRS • Reduced entitlement fraud
	National Identity Policy	<ul style="list-style-type: none"> • Ongoing consultation 	<ul style="list-style-type: none"> • Adoption of Identity Policy Framework
	Case Management System	<ul style="list-style-type: none"> • Define requirements, issue RFP: fall 2005 • Implement: fall 2006 	<ul style="list-style-type: none"> • Improved prioritization of case work • Improved passport security
	Regional Security Units	<ul style="list-style-type: none"> • Develop work descriptions: December 2005 • Staff: 2006-07 	<ul style="list-style-type: none"> • Improved compliance program • Improved passport security
	Linkages to CPIC	<ul style="list-style-type: none"> • Define requirements: 2005 • Implement: 2006 	<ul style="list-style-type: none"> • Improved ability to administer section 9, 10 of the Passport Order • Improved passport security
	Next Generation Issuing System	<ul style="list-style-type: none"> • Define Requirements including developing standardized counter process: Fall 2005 • RFI: Jan 2006 • Begin implementation: 2007 	<ul style="list-style-type: none"> • Improved passport security



KEY TASKS, PERFORMANCE MEASURES AND TARGETS FOR 2005-2008

<i>Strategic Priority</i>	<i>Major Activities / Projects</i>	<i>Major Planned Milestones</i>	<i>Key Performance Indicators / Targets</i>
	Security Risk Assessment	<ul style="list-style-type: none"> • Winter 2006 	<ul style="list-style-type: none"> • Improved risk management
Broadening Access	Passport On-line	<ul style="list-style-type: none"> • Launch interactive form January 2005 • Explore on-line payment option: 2005 and beyond 	<ul style="list-style-type: none"> • # of applications completed on line • reduced processing requirements • Reduced cost per transaction • Increased customer convenience: reduced counter-time for POL customers
	Receiving Agents Initiative	<ul style="list-style-type: none"> • Pursue expansion of network: ongoing • Explore partnerships with other potential agents: ongoing • Assess HRSDC pilot: Report by June 2005 	<ul style="list-style-type: none"> • Network Expanded • Reduction of wait times • Reduction of turnaround times • Less than 1% error rate
	Renewals Project	<ul style="list-style-type: none"> • On going over the planning period 	<ul style="list-style-type: none"> • Reduction of processing costs and effort • Enhanced customer service through faster turnaround times • Increased customer satisfaction through a simplified process.
Continuing Corporate Improvement	Print Centre Workflow Optimization	<ul style="list-style-type: none"> • Phase 1: Workflow Optimization: Mississauga Complete: Dec 2004 • Phase 2: Workflow Optimization: Gatineau complete: July 2005 • Implementation Assessment and Project Report/ implementation plan: August 2005 	<ul style="list-style-type: none"> • Decrease spoilage rates • Reduction of print cycle times
	Review and standardization of front counter process	<ul style="list-style-type: none"> • Anticipated launch: Spring 2005 	<ul style="list-style-type: none"> • Maintained/improved transaction and turnaround time • Reduced waiting time • Service standards met



KEY TASKS, PERFORMANCE MEASURES AND TARGETS FOR 2005-2008

<i>Strategic Priority</i>	<i>Major Activities / Projects</i>	<i>Major Planned Milestones</i>	<i>Key Performance Indicators / Targets</i>
Continuing Corporate Improvement Cont'd	Ongoing Implementation of Employee Learning and Development Strategy	<ul style="list-style-type: none"> • Core curriculum for managers' development - February 2005 • Employee Orientation program - February 2005 • Coaching or mentoring program - February 2005 • Exit Interviews - March 2005 • Updated Performance Review Process - March 2005 • Updated Performance Review Policy - June 2005 • Tools for data capture of training, learning and development: September 2005 • Learning Forum/Network: Nov 2005 • Knowledge Management: March 2006 	<ul style="list-style-type: none"> • Increased employee learning and development • Enhanced employee skill • Increased employee satisfaction • Improved employee retention
	Strategic Resourcing Guide	<ul style="list-style-type: none"> • Implementation by December 2005 	<ul style="list-style-type: none"> • Improved integration of HR issues in Business Planning
	Leadership Development Framework and network for managers	<ul style="list-style-type: none"> • Leadership Assessment tools: On going • Management Coaching program: On going • Succession planning for key positions: On going 	<ul style="list-style-type: none"> • Improved leadership skills
	Establish an organizational baseline, framework and feedback mechanism to measure and sustain positive employee morale	<ul style="list-style-type: none"> • Communications strategy: on going • Strengthen Union/Management consultation at all levels: ongoing 	<ul style="list-style-type: none"> • improved/sustained employee moral
	Change Management Process for new projects, focused on employee communication	<ul style="list-style-type: none"> • Development of change management process/tools: 2005/2006 	<ul style="list-style-type: none"> • employees better equipped to adapt to change • decreased employee stress/ increased moral
	Enhanced training	<ul style="list-style-type: none"> • Review of PPT needs: 2005 • Recommendations: 2005 • Launch enhanced training: TBD 	<ul style="list-style-type: none"> • Increased security of passport issuance processes overseas • Support to passport examiners



KEY TASKS, PERFORMANCE MEASURES AND TARGETS FOR 2005-2008

<i>Strategic Priority</i>	<i>Major Activities / Projects</i>	<i>Major Planned Milestones</i>	<i>Key Performance Indicators / Targets</i>
Continuing Corporate Improvement Cont'd	Quality Assurance Program	<ul style="list-style-type: none"> • Identify elements for measurement • Establish methodology for evaluation 	<ul style="list-style-type: none"> • Improved Management Capacity
	Strategic Management Framework	<ul style="list-style-type: none"> • Corporate Scorecard: Fall 2005 • Cascading to directorates and divisions: 2006 • Full implementation: 2007 	<ul style="list-style-type: none"> • Improved Management Capacity
	Review of Security Bureau	<ul style="list-style-type: none"> • Plan complete Mar 2006 	<ul style="list-style-type: none"> • Improved Management Capacity
	Contingency Planning	<ul style="list-style-type: none"> • A plan in place in 2005-06 	<ul style="list-style-type: none"> • Improved Management Capacity
	Project Management System	<ul style="list-style-type: none"> • Mar 2006 	<ul style="list-style-type: none"> • Improved Management Capacity
	Activity Based Management	<ul style="list-style-type: none"> • Establish business requirements and research products: December 2005 • Develop demand driven planning models for ops: March 2006 • Develop planning and budget models April 2006 • Full implementation: June 2006 	<ul style="list-style-type: none"> • Improved Management Capacity
	Consultation	<ul style="list-style-type: none"> • New Surveys: • Consultation Strategy: Fall 2005 • Consultation to begin: Dec 2005 	<ul style="list-style-type: none"> • Improved consultation

