

Industry Canada
Performance Report

**For the period ending
March 31, 2006**


Minister of Industry

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Section 1:

Overview of the Department

1.1 Minister's Message



The Canadian economy has adapted well to the changing circumstances of the global economy. Core inflation has remained low, unemployment remains near its lowest level in more than 30 years, and the employment rate is near its highest on record as Canadian companies continue to grow and create more jobs. Canadian industries have the skilled workers, the technological know-how, the innovative capacity and the drive to compete and prosper on the world stage.

My goal as Minister of Industry, and the goal of the Government of Canada, is to ensure that Canadian businesses can continue to grow and evolve in the best possible environment — one that encourages innovation and allows Canadians to reach their full potential. That means an efficient marketplace that supports competition, attracts investment, both from within Canada and from around the world, and

encourages and rewards new ideas and inventions. It means minimizing barriers to trade and labour mobility, both within the economic union and with Canada's trading partners. And it means having the infrastructure in place to support sustainable growth.

In support of these goals, the Department and the Industry Portfolio have continued to make progress over the past year on a wide range of responsibilities, including small business financing, consumer protection, the continuing health of Canada's manufacturing sectors, competition law, basic and applied sciences, and practical research. Through these efforts, the Industry Portfolio plays an important role in supporting the economic health of this country — and of all Canadians.

The Industry Portfolio is composed of Industry Canada and 10 other agencies, Crown corporations and quasi-judicial bodies. These organizations collectively play a key role in advancing Canada's industrial, scientific and economic development, and help to ensure that we remain competitive in an increasingly global marketplace.

Industry Canada's *Departmental Performance Report* for the period ending March 31, 2006, describes the achievements and results of the Department, which include:

- **Continuing to modernize marketplace frameworks** by cooperating with governments across North America to harmonize regulatory systems and reduce duplication and costs, by working with business representatives to reduce the paperwork burden facing small business, and by reviewing Canada's telecommunications policy and regulatory framework and the spectrum policy framework.
- **Ensuring the strategic allocation of resources to investments in enabling technologies** through Genome Canada and the federal granting councils.
- **Supporting the generation and commercialization of knowledge** by making investments through national granting organizations to support graduate and postgraduate research across Canada, and to support the national innovation system.

- **Working to remove technology barriers and connect businesses, individuals and communities** through programs such as the Broadband for Rural and Northern Development Pilot Program, the National Satellite Initiative, First Nations SchoolNet, and BizPaL, to help maintain Canada's role as a world-leading e-economy.
- **Supporting business development and long-term growth and promoting sustainable development** by encouraging the expansion and modernization of small businesses and Aboriginal businesses, and working with local leaders on the economic development of communities in Northern and rural Ontario.

We have accomplished much, but there is room for improvement. We will continue to work with companies and industries to make sure they are ready to capitalize on the opportunities presented by the changing global economy, while remaining mindful of the expectation of Canadians that we be fiscally responsible and results-focused.

I am pleased to present Industry Canada's *Departmental Performance Report* for 2005–06.



Maxime Bernier

Minister of Industry

Members of the Industry Portfolio are:

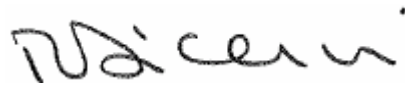
- Business Development Bank of Canada
- Canadian Space Agency
- Canadian Tourism Commission
- Competition Tribunal
- Copyright Board of Canada
- Industry Canada
- National Research Council Canada
- Natural Sciences and Engineering Research Council of Canada
- Social Sciences and Humanities Research Council of Canada
- Standards Council of Canada
- Statistics Canada

1.2 Management Representation Statement

I submit, for tabling in Parliament, the 2005–06 *Departmental Performance Report* (DPR) for Industry Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005–2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board of Canada Secretariat guidance;
- It is based on the Department's approved Program Activity Architecture structure as reflected in its Management, Resources and Results Structure (MRRS);
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada in the DPR.



Richard Dicerni
Deputy Minister

SEP 15 2006

Date

1.3 Summary Information

Industry Canada's Mandate

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

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

In order to foster growth and create high-quality, well-paying jobs, the Government of Canada has set as one of its core priorities the building of a 21st-century economy. Industry Canada has continued working in support of this priority through its three strategic outcomes:

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

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

This *Departmental Performance Report* (DPR) provides information about how Industry Canada has worked to support the broad goals of the Government of Canada by continuing to work with its partners and stakeholders to improve the quality of life of Canadians. This DPR also provides a list of the Department's achievements and results for 2005–06.

Industry Canada's Program Activity Architecture

To strengthen accountability and reporting, Treasury Board of Canada Secretariat (TBS) has replaced the Planning, Reporting and Accountability Structure (PRAS) and the corresponding business line structure with a new integrated modern expenditure system called the Management, Resources and Results Structure (MRRS).

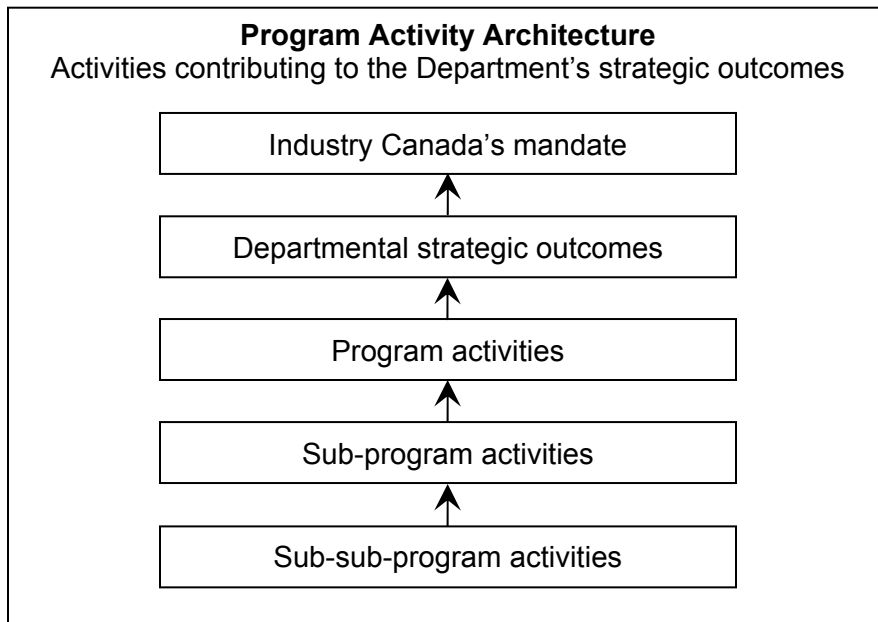
A key component of the MRRS is the Program Activity Architecture (PAA). The PAA links financial and non-financial information and articulates how Industry Canada's sectors, branches, programs and initiatives contribute to the Department's three strategic outcomes. The diagram on page 6 illustrates the relationship between the various levels of activity. Through the results achieved at each level, the Department progresses toward the fulfillment of its mandate.

In developing its PAA, Industry Canada identified expected results and indicators for each activity. This allows the Department to measure progress toward its goals. The progress achieved on these indicators is presented in this report. The performance information, results and departmental achievements in this report relate to the indicators outlined in the 2005–06 PAA structure, approved by TBS and the Department's 2005–06 *Report on Plans and Priorities* (RPP).

Indicators are being reviewed for future reports, which will better enable the Department to report program results against its strategic outcomes. It is expected that Industry Canada's ability to provide quality performance information that clearly demonstrates results achieved will continue to improve over time.

In identifying the results of its programs and initiatives, Industry Canada is attempting to demonstrate where it made a contribution to improving the standard of living and quality of life of Canadians. It is acknowledged that Industry Canada is only one of many players that have an influence on Canada's economic well-being.

It should be noted that this and all other Estimates documents now report on strategic outcome and program activities, rather than on business lines.



Industry Canada's strategic outcomes are addressed in this section of the report. Section 2 provides information on Industry Canada's program activities. Information on the sub-program and sub-sub-program activities is provided in the Appendix on page 109.

Industry Canada's Financial and Human Resources

Financial Resources (Millions of Dollars)

Planned Spending	Total Authorities	Actual Spending
\$1,557.4	\$1,827.4	\$1,617.0

Human Resources (Full-Time Equivalents)

Planned	Actual	Difference
5,942	5,683	(258)

1.4 Summary of Departmental Performance by Strategic Outcome

The following table presents Industry Canada's priorities by strategic outcome. Strategic outcomes represent the top level of the Department's PAA. They are the enduring benefits that Industry Canada strives to achieve for Canadians. The following table provides examples of results achieved by Industry Canada, along with other government departments, for each of its three strategic outcomes. These results demonstrate the extent to which Industry Canada has been successful at implementing plans, as well as the progress the Department has made toward meeting the priorities and planned outcomes to which it committed in previous RPPs. The table also indicates the financial and human resources that were allocated to each strategic outcome for the fiscal year that just ended.

Following the table, a brief summary provides more detail on Industry Canada's high-level results, including the priorities that were set for the 2005–06 fiscal year, the results achieved and any items left outstanding.

Status of Performance

Strategic Outcome				
A fair, efficient and competitive marketplace				
Planned Spending and Full-Time Equivalents (FTEs)* 2005–06		Total Authorities as per Public Accounts 2005–06	Actual Spending and Full-Time Equivalents (FTEs)* 2005–06	
\$213.5 million	3,083 FTEs	\$391.9 million	\$225.2 million	3,030 FTEs
Aligns with the following strategic outcome of the Government of Canada				
Economic: A fair and secure marketplace				
Priority	Performance Indicators		Performance Status	
Continuing to modernize marketplace framework in support of a highly competitive and innovative economy for the benefit of all Canadians.	Barriers to competition		In 2003, Canada tied for sixth place among Organisation for Economic Co-operation and Development (OECD) member countries in terms of having the least restrictive barriers to competition. ¹	
	Regulatory capacity		In 2003, Canada ranked second among OECD countries in terms of having the least restrictive regulatory and administrative capacity. ² Canada ranks second among large countries — first in the G7 nations — in terms of a fairly administered justice system. ³	
	Business executive perceptions of how institutions and government policies support competitiveness		In 2002 and 2003, Canada ranked second among G7 nations in business executive perceptions of how institutions and government policies support competitiveness.	

* FTEs not including Corporate and Management Services.

Continued on next page

1. OECD, *Product Market Regulation in OECD Countries: 1998 to 2003*, Economics Working Paper, No. 419, February 2005.
2. Ibid.
3. The International Institute of Management Development, *World Competitiveness Yearbook 2005*, June 2005.

Status of Performance

Continued from previous page

Strategic Outcome					
An innovative economy					
Planned Spending and Full-Time Equivalents (FTEs)* 2005–06		Total Authorities as per Public Accounts 2005–06		Actual Spending and Full-Time Equivalents (FTEs)* 2005–06	
\$437.8 million	718 FTEs	\$787.2 million		\$765.7 million	674 FTEs
Aligns with the following strategic outcome of the Government of Canada					
Economic: An innovative and knowledge-based economy					
Priority	Performance Indicators		Performance Status		
Ensuring the strategic allocation of resources to investments in enabling technologies. Supporting the generation and commercialization of knowledge.	Government expenditure on research and development (R&D)		In 2003, the government financed 24.5 percent of gross domestic expenditure on R&D (GERD). ⁴		
	GERD as a percentage of gross domestic product (GDP)		In 2005, GERD accounted for 1.92 percent of Canada's GDP. ⁵		
	University–industry collaboration in R&D		In 2002, Canada ranked second among the group of countries examined, in terms of industry–university R&D collaboration, with 9.6 percent of the R&D performed by the higher-education sector being financed by industry. ⁶		
	Investment in venture capital		Over the 1998–2001 period, Canada invested 0.25 percent of GDP, ranking second among the group of countries examined in terms of investment in venture capital. ⁷		

* FTEs not including Corporate and Management Services.

Continued on next page

4. Statistics Canada Web site: www40.statcan.ca/l01/cst01/scte01a.htm?sdi=gerd5. Statistics Canada Web site: www40.statcan.ca/l01/cst01/scte03.htm?sdi=gerd6. The Conference Board of Canada, *Exploring Canada's Innovation Character: Benchmarking Against Global Best*, 2004.

7. Ibid.

Status of Performance

Continued from previous page

Strategic Outcome				
Competitive industry and sustainable communities				
Planned Spending and Full-Time Equivalents (FTEs)* 2005–06		Total Authorities as per Public Accounts 2005–06	Actual Spending and Full-Time Equivalents (FTEs)* 2005–06	
\$906.1 million	1,298 FTEs	\$648.3 million	\$626.2 million	1,050 FTEs
Aligns with the following strategic outcome of the Government of Canada Economic: Strong economic growth				
Priority	Performance Indicators	Performance Status		
Implementing strategic frameworks for priority industrial sectors that have an important impact on the Canadian economy. Ensuring a world-leading e-economy that removes barriers and connects businesses, individuals and communities. Working with Canadians to position them to take advantage of economic opportunities, support business development, provide long-term growth and promote sustainable development.	Investment in machinery and equipment as a proportion of GDP	In 2005, \$97,673 million was invested in machinery and equipment, representing 7.1 percent of GDP. ⁸		
	Use of information and communications technologies (ICT)	In 2003, Canada ranked second among the group of countries examined in terms of the use of ICTs.		

* FTEs not including Corporate and Management Services.

STRATEGIC OUTCOME: A FAIR, EFFICIENT AND COMPETITIVE MARKETPLACE

A fair, efficient and competitive marketplace, combined with an effective regulatory framework, creates a business environment that supports innovation and economic growth, and protects individual Canadians.

Priority: Continuing to modernize marketplace frameworks in support of a highly competitive and innovative economy for the benefit of all Canadians

In 2005–06, Industry Canada committed to working with other governments to harmonize the regulatory system, thus reducing duplication and regulatory conflict.

As a result of Industry Canada's work, on November 25, 2005, Bill C-55, An Act to establish the Wage Earner Protection Program Act, to amend the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* and to make consequential amendments to other Acts, received royal assent. This Act aims to increase the efficiency, effectiveness and fairness of the insolvency regime.

8. Source: Statistics Canada Web site: www40.statcan.ca/l01/cst01/busi02a.htm

Other acts that were introduced to Parliament, such as Bill C-21, the Canada Not-for-profit Corporations Act, aimed at modernizing the governance framework for not-for-profit organizations, and Bill C-60, An Act to amend the *Copyright Act*, died on the Order Paper on November 29, 2005, due to the dissolution of Parliament.

On April 11, 2005, the Minister of Industry established the Telecommunications Policy Review Panel (TPRP) to conduct a review of Canada's telecommunications policy and regulatory framework. On March 22, 2006, the Panel released its final report, which contained more than 120 recommendations aimed at improving Canada's telecommunications policy and regulatory framework. The Department is committed to responding to the TPRP report to help ensure that Canada's telecommunications industry is internationally competitive and successful, and continues to meet the evolving needs of Canadians.

A full review of the Spectrum Policy Framework was also launched by Industry Canada in May 2005. This framework provides the guiding principles for the management of spectrum in Canada and the more specific spectrum policies, practices and standards.

On February 1, 2006, Bill C-29, An Act to amend the *Patent Act*, which received royal assent in spring 2005, was brought into force and now provides patent-holders with a one-year window to correct past fee payment to ensure the validity of their patent rights.

In November 2004, the government introduced into Parliament Bill C-19, An Act to amend the *Competition Act*, and to make consequential amendments to other Acts. The proposed changes, implementing part of the recommendations of the 2002 report of the Standing Committee on Industry, Science and Technology — *A Plan to Modernize Canada's Competition Regime* — were designed to ensure that the *Competition Act* remained a world-class, modern competition framework instrument. The bill died on the Order Paper.

STRATEGIC OUTCOME: AN INNOVATIVE ECONOMY

Priority: Ensuring the strategic allocation of resources to investments in enabling technologies

In 2005–06, Industry Canada worked to secure funding for a number of priority programs that allocated resources to enabling technologies. Funding was announced for the following programs in Budget 2005:

- Canadian Academies of Science (now the Council of Canadian Academies);
- Genome Canada; and
- the federal granting councils.

Ensuring adequate funding for research and innovation projects in enabling technologies is a key driver of an innovative economy.

In 2005–06, Industry Canada, through a funding agreement with CANARIE Inc., continued to support the development and operation of CA*net 4, Canada's advanced research network.

Priority: Supporting the generation and commercialization of knowledge

By providing support to the granting councils in 2005–06, Industry Canada ensured that funding was available to support graduate and postgraduate studies and research across Canada. The Department also supported the national innovation system by continuing to make investments through national granting organizations such as the federal granting councils (the Natural Sciences and Engineering Research Council of Canada, the Social Sciences and Humanities Research Council of Canada and the Canadian Institutes of Health Research), thus helping to generate research and knowledge in Canada.

Industry Canada supported the commercialization of knowledge through several initiatives. An Expert Panel on Commercialization was established on May 18, 2005. The objective of the Panel was to advise the government on an action plan for meeting its commercialization objectives. The Panel was also asked to make suggestions as to what government, business and the academic sector can do to improve commercialization in every sector of the economy.

A commercialization strategy was developed through the Ocean Science and Technology Partnership to advance and facilitate the commercialization of the next generation of Canadian technologies. The Department also advanced the commercialization of Canadian hydrogen and fuel cell technologies through the development of *Towards a National Hydrogen & Fuel Cell Strategy: A Discussion Document for Canada*.

As co-chair of the Hydrogen and Fuel Cell Committee, composed of 17 federal departments and agencies, Industry Canada helped coordinate and oversee federal government actions. The Department also led consultations with key stakeholders, including representatives from the provinces, academia and the private sector, to identify key issues and priorities for the hydrogen and fuel cell sector. This work represents a significant first step toward the development of a national strategy to promote and accelerate the development of Canadian hydrogen and fuel cell technologies.

Industry Canada also placed greater emphasis on addressing key research gaps and making targeted investments to further the development and adoption of key enabling technologies in 2005–06.

The *Federal Response to the Canadian Manufacturers and Exporters' 20/20 Report* was tabled in 2005–06. As a result, a number of new activities have emerged, including the establishment of a network of 30 federal government departments to address the variety of challenges that manufacturers face. In addition, a Canadian pandemic planning guide was produced; its purpose is to plan for and mitigate the effects of possible pandemics that would have a significant impact on manufacturers and exporters.

The Canadian Biotechnology Secretariat initiated work to review and update the Canadian Biotechnology Strategy, along with the policy framework for biotechnology.

STRATEGIC OUTCOME: COMPETITIVE INDUSTRY AND SUSTAINABLE COMMUNITIES

The Department continued to work on modernizing the strategic frameworks that allow the creation and growth of strong, competitive businesses. Industry Canada contributed to the development of modern infrastructures and continued to promote sustainable development.

Priority: Implementing strategic frameworks for priority industrial sectors that have an important impact on the Canadian economy

Canada's aerospace industry is the fourth largest in the world and is a substantial generator of wealth for the country. The government has developed a strategic framework for the aerospace and defence sector, providing a 20-year vision for aerospace and defence industries in Canada. This framework defines a range of policies and activities for industry and government to support the sector's growth and build on its strong competitive position. The Canadian Aerospace Partnership, a council that provided input into the development of this framework, was also established with membership from industry, governments, labour and academia. In 2005–06, the Industry Sector participated in Canadian Aerospace Partnership working groups to analyze key strategic issues and identify policies and activities to achieve this.

In partnership with relevant industrial stakeholders, in-depth strategies in the automotive, aerospace, life sciences, tourism and renewable energy sectors were developed to identify competitive strengths and challenges for a number of key Canadian industries. A strategy was also developed to achieve a more targeted approach to encourage R&D and commercialization efforts in the life sciences industries, as it is expected that life sciences will play an increasingly important role in the global economy.

Priority: Ensuring a world-leading e-economy that removes barriers and connects businesses, individuals and communities

In 2005–06, Industry Canada continued work to remove barriers and connect businesses, individuals and communities to help maintain Canada's role as a world-leading e-economy.

The Broadband for Rural and Northern Development Pilot Program continued to provide communities with advanced information and communications infrastructure to ensure equitable access for Canadians. High-speed Internet is now available in 294 communities. Also, 18 remote communities now have connectivity through the National Satellite Initiative. Industry Canada also helped Canadians take advantage of connectedness opportunities by providing support to nearly 4,000 Community Access Program sites, offering public access to the Internet and the skills Canadians need to use it effectively. In addition, First Nations SchoolNet increased its uptake participation to reach approximately 600 First Nations schools on reserves. The Department also provided 113,411 refurbished computers to schools, libraries and not-for-profit learning organizations.

Priority: Working with Canadians to position them to take advantage of economic opportunities, to support business development, provide long-term growth and promote sustainable development

Industry Canada continued work with Canadians in 2005–06 to help them take advantage of economic opportunities.

During this fiscal year, the Aboriginal Business Canada program helped 576 clients establish, expand or acquire a business through contributions totalling \$22.7 million. Support to Aboriginal businesses was provided in the following areas: tourism, manufacturing, business, professional or scientific services, youth, business opportunities linked to major development, innovation and trade and market expansion. The \$22.7 million in direct equity investments resulted in a total investment from all sources of \$82.9 million in Aboriginal business growth, and in the Canadian economy overall.

In 2005–06, the Federal Economic Development Initiative for Northern Ontario (FedNor) helped promote economic development, diversification and job creation and sustainable, self-reliant communities in Northern and rural Ontario through the commitment of \$97 million to 516 businesses and community organizations. This funding leveraged more than \$110 million in additional funds from other sources.

Finally, in 2005–06, the Canada Small Business Financing Program registered more than 10,800 loans, totalling over \$1 billion for new business start-ups. This financing assisted in the expansion and modernization of small businesses. The first review of the program was completed and tabled in Parliament in April 2005.

Section 2:

Analysis of Program Activities by Strategic Outcome

STRATEGIC OUTCOME: A FAIR, EFFICIENT AND COMPETITIVE MARKETPLACE

Each of the following program activities contribute to the strategic outcome through policy development, programs and initiatives, and service delivery. Both financial and non-financial information is provided for each program activity. The results achieved represent a preliminary attempt at demonstrating how Industry Canada performed against the expected results as outlined in its RPP. Further details on programs and initiatives mentioned in the text below can be found in the Appendix on page 109.

Analysis by Program Activity

Program Activity: Policy Sector — Marketplace

Description: Development of marketplace framework policy				
Expected Result: Development and coordination of policy frameworks that support a fair, efficient and competitive marketplace				
Performance Indicators		Results		
<ul style="list-style-type: none"> Legislative initiatives tabled and approved, aimed at improving Canada's broad marketplace framework 		<ul style="list-style-type: none"> Bill C-55, An Act to establish the Wage Earner Protection Program Act, to amend the <i>Bankruptcy and Insolvency Act</i> and the <i>Companies' Creditors Arrangement Act</i> and to make consequential amendments to other Acts, received royal assent on November 25, 2005. The Use of Patented Products for International Humanitarian Purposes Regulations was passed on May 14, 2005. Amendments to the <i>Patent Act</i> were made on August 31, 2005. Bill C-60, An Act to amend the <i>Copyright Act</i>, was introduced on June 20, 2005, but did not pass in the House of Commons prior to the dissolution of Parliament on November 29, 2005. "Regulations Amending the Definition of Small Retransmission Systems Regulations" was published in the <i>Canada Gazette</i> on June 1, 2005. "Regulations Amending the Definition of 'Small Cable Transmission System' Regulations" was published in the <i>Canada Gazette</i> on June 1, 2005. 		
Planned Spending and Resources		Total Authorities as per Public Accounts		Actual Spending and Resources
\$7.1 million	78 FTEs	\$8.1 million		\$7.2 million 79 FTEs

The Policy Sector, in partnership with other sectors, continued in 2005–06 to undertake a number of initiatives to update the marketplace framework and policies. Work to improve the regulatory environment for innovation and competition in high-knowledge industries was also pursued. Unfortunately, not all of Industry Canada's expected results were achieved in 2005–06, due to the dissolution of Parliament on November 29, 2005.

Bill C-55, An Act to establish the Wage Earner Protection Program Act, to amend the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* and to make consequential amendments to other Acts, was introduced in the House of Commons on June 3, 2005. The purpose of this initiative was to increase the efficiency, effectiveness and fairness of the insolvency regime and to introduce additional protection for workers in the context of bankruptcies and corporate restructurings. Bill C-55 received royal assent on November 25, 2005.

On November 15, 2004, the Minister of Industry introduced Bill C-21, An Act respecting not-for-profit corporations and other corporations without share capital, in the House of Commons. The bill, known as the Canada Not-for-profit Corporations Act, was referred to the Standing Committee on Industry, Natural Resources, Science and Technology on November 23, 2004. On November 29, 2005, it died on the Order Paper. The proposed legislative changes would have modernized the governance framework of not-for-profit corporations, namely by improving their financial accountability, streamlining the incorporation process, and clarifying the rights and responsibilities of their directors and officers. This is in keeping with the Smart Regulation agenda, which aims to simplify and streamline the regulatory burden on enterprises.

The Paperwork Burden Reduction Initiative (PBRI) was launched in 2005, and the advisory committee that oversees the initiative presented its first report to the Minister of Industry in March 2006.

On May 14, 2005, amendments to the *Patent Act* associated with Canada's Access to Medicines Regime⁹ came into force with the passage of the Use of Patented Products for International Humanitarian Purposes Regulations.

These amendments implemented a 2003 decision by the World Trade Organization (WTO) to waive certain obligations in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) that had prevented developed countries from authorizing the export of lower-priced versions of patented medicines to least-developed and developing countries that are unable to manufacture their own. The waiver is intended to cover the drugs these countries need to respond to their public health problems, especially HIV/AIDS, tuberculosis, malaria and other epidemics.

On August 31, 2005, the government amended the *Patent Act* to add an antiretroviral fixed dose combination (FDC) therapy used in the treatment of HIV/AIDS to the list of pharmaceutical products (i.e. Schedule 1) eligible for export under Canada's Access to Medicines Regime. Antiretroviral FDCs are a major breakthrough for HIV/AIDS treatment in resource-poor settings, as they promote greater patient adherence and require less medical supervision.

On June 20, 2005, Bill C-60, An Act to amend the *Copyright Act*, was introduced in the House of Commons and received first reading. On November 29, 2005, it died on the Order Paper.

Amendments to the Definition of Small Retransmission Systems Regulations and to the Definition of "Small Cable Transmission System" Regulations were published in Part II of the *Canada Gazette* on June 1, 2005. The amendments were effected for housekeeping purposes, in order to reflect changes in the way the Canadian Radio-television and Telecommunications Commission (CRTC) regulates small retransmission and small cable transmission systems.

9. Formerly known as The Jean Chrétien Pledge to Africa.

Program Activity: Operations Sector — Marketplace

Description: Development of instruments and compliance with the marketplace framework				
Expected Result: A marketplace that operates in accordance with framework statutes and stakeholder needs				
Performance Indicators			Results	
• Number of new framework instruments			Measurement Canada frameworks: 3 Office of the Superintendent of Bankruptcy Canada frameworks: 4 Total new frameworks: 7	
• Number of amendments to existing framework instruments			Measurement Canada amendments: 5 Corporations Canada amendments: 1 Total new amendments: 6	
Planned Spending and Resources		Total Authorities as per Public Accounts		Actual Spending and Resources
\$115.5 million	1,223* FTEs	\$118.9 million		\$110.2 million 1,261* FTEs

* Does not include FTEs for the Canadian Intellectual Property Office as shown on page 22.

Operations Sector business units have ensured a fair, efficient and competitive marketplace in the areas of spectrum management, weights and measures, insolvency, and federal incorporation. They have done so through the use of new and existing key framework instruments such as regulations, legislation, policies and procedures.

Through the regional **Spectrum/Telecommunication Program**, Industry Canada's regional offices have the responsibility to ensure quick access to a quality radio frequency spectrum with respect to Canada's regulatory framework. To do so, regional program delivery revolves around three types of activities. First, regional offices influence the Department's regulatory framework by representing clients' needs and by presenting the regional environment in the development of policies and regulations. In 2005–06, regional offices participated in the development of the Client Procedures Circular for Installing Radiocommunication and Broadcasting Antenna Systems, as well as the development of proposed modifications to the *Radiocommunication Act*. Second, Industry Canada provides clients with timely access to the radio frequency spectrum. In 2005–06, the Department received 21,263 radio frequency licensing requests, 95.4 percent of which were answered within established service standards. Also, an increasing number of clients submitted their requests for authorization using the Department's electronic services (**sd.ic.gc.ca**). These services help clients get quicker access to the radio frequency spectrum. Finally, the Department is responsible for enforcing compliance with spectrum radio frequency regulations. Regional offices conducted a wide variety of investigations throughout Canada that resulted in Canadians benefiting from a quality radio frequency spectrum.

Measurement Canada (mc.ic.gc.ca) ensures the integrity and accuracy of trade measurement in Canada through the administration and enforcement of the *Weights and Measures Act* and the *Electricity and Gas Inspection Act*. In 2005–06, it began consultations with stakeholders in the fish and forestry sectors — including measurement system manufacturers, owner-operators, businesses, and consumers and other vulnerable parties — to obtain their views and ideas on how measurement accuracy is achieved and monitored in these sectors. The results of these sector reviews will form the basis for the establishment of stakeholder consensus-based recommendations on the framework instruments, programs and services that will govern trade measurement in the fish and forestry sectors in the years to come.

In response to stakeholder consensus-based recommendations resulting from a review of the water sector, the first Canadian water meter requirements were developed by a joint Measurement Canada–water industry working group. The establishment of these requirements will contribute to improved measurement accuracy of this increasingly valuable and expensive commodity.

Internationally, Measurement Canada played an active role in the development of the recently announced International Organization of Legal Metrology (OIML) Mutual Acceptance Agreement (MAA) for non-automatic weighing instruments. Within the context of this international multilateral agreement, non-automatic weighing instruments (e.g. retail scales in grocery stores) approved by international laboratories that are ISO 17025-registered (or peer-assessed by OIML) and by signatories to the MAA will be approved for use in Canada without further testing. The OIML MAA will be launched in 2006-07.

In ensuring that the insolvency policy and regulatory framework is kept current to changing marketplace needs, the **Office of the Superintendent of Bankruptcy (osb-bsf.ic.gc.ca)** worked closely with the Corporate and Insolvency Law Policy Directorate to develop recommendations for legislative amendments to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*, and to establish the *Wage Earner Protection Program Act*. This close collaboration was key to the tabling of Bill C-55 before the House of Commons, as well as to its passage through Parliamentary committees, resulting in royal assent of the legislation in November 2005.

The reforms enacted by the bill (now known as c.47 of the Statutes of Canada, 2005) aim to modernize Canada's insolvency system and increase competitiveness. The legislative amendments, such as those dealing with corporate restructuring under the *Companies' Creditors Arrangement Act*, aim to provide predictable rules to encourage investment and confidence in the marketplace, while preserving the flexibility of the courts to deal with particular issues, as needed, on a case-by-case basis. The objectives also include streamlining the insolvency process, improving the fairness of the system for all participants, and curbing the potential for abuse.

In addition, the OSB implemented an organizational restructuring in order to respond to its evolving environment. As a result, the organizational focus was changed from a process-driven system (file-by-file reviews of trustees) to a risk-based system where only high-risk debtors and trustees are targeted. This change in approach allows the OSB to put its resources where they are most needed, makes the organization more responsible to emerging market issues, and allows for improved client services.

Corporations Canada (corporations.ic.gc.ca) conducted extensive consultations to amend the *Canada Business Corporations Regulations* to change the filing period for annual returns. The change streamlines the filing requirement and ensures that information on *Canada Business Corporations Act* (CBCA) corporations is more up to date. The proposed regulations were pre-published in the *Canada Gazette* — Part I on November 26, 2005, and came into effect July 1, 2006.

Corporations Canada has successfully initiated a practice of electronically sharing its lists of dissolved corporations that have Ontario addresses with the Companies and Personal Property Security Branch of the Province of Ontario. This procedure assists Ontario in maintaining the accuracy of its database of active registered companies. An initial list of 38,625 dissolved Ontario-based federal corporations was sent to the Ontario Registrar, and 9,250 additional names of dissolved corporations have been sent since this practice was initiated. This program has benefited from the Joint On-Line Registration Program framework that is in place, allowing small and medium-sized enterprises (SMEs) to electronically register their companies in Ontario at the same time as they federally incorporate with Corporations Canada.

Corporations Canada has also initiated a revised ongoing transactional survey process to capture the level of client satisfaction among users of its online transactions. Using Common Measurements Tool methodology, survey data can be compared with that of similar surveys, allowing Corporations Canada to assess and improve the quality of its services to Canadians. The survey has also been crafted to ensure that clients not be surveyed more than once a month if they so desire.

Program Activity: Spectrum, Information Technologies and Telecommunications Sector — Marketplace

Description: Develops regulations, policies, procedures and standards governing Canada's spectrum and telecommunications industries and the digital economy				
Expected Result: A policy and regulatory framework to govern Canada's spectrum and telecommunications industries and the digital economy				
Performance Indicators		Results		
<ul style="list-style-type: none"> Assessment of the policy and regulatory framework 		<ul style="list-style-type: none"> The Telecommunications Policy Review Panel issued its final report on March 22, 2006. On June 13, 2006, in an initial response to the recommendations contained in the report, the Government of Canada tabled a proposed policy direction to the CRTC to rely on market forces to the maximum extent feasible under the <i>Telecommunications Act</i>. The Government of Canada is still studying the remaining recommendations contained in the report. The government initiated the paper <i>Consultation on a Renewed Spectrum Policy Framework for Canada and Continued Advancements in Spectrum Management</i> and received and reviewed comments from the public. Taking this into account, the government is currently drafting a new Spectrum Policy Framework, for release in fall 2006. 		
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources	
\$54.1 million	371 FTEs	\$76.8 million	\$73.4 million	352 FTEs

The Spectrum, Information Technologies and Telecommunications Sector continued work in 2005–06 to develop world-class regulations, policies and standards to govern Canada's spectrum and telecommunications industries and contribute to the expansion of e-commerce in the Canadian marketplace.

On March 22, 2006, the Telecommunications Policy Review Panel (TPRP) publicly released its final report, which contained more than 120 recommendations aimed at improving Canada's telecommunications policy and regulatory framework. Industry Canada is committed to responding to the Panel report to help ensure that Canada's telecommunications industry is internationally competitive and successful, and that it continues to meet the evolving needs of Canadians.

Industry Canada is also working to bring reforms to its spectrum policy framework, which provides the guiding principles for the management of spectrum in Canada and the basis for more specific spectrum policies, practices and standards. A full review of the framework was launched in May 2005; it includes consultations on selected topics in order to improve spectrum management. The TPRP report noted the ongoing consultation on the framework and supported TPRP report's intent. Several TPRP recommendations can be taken into account in a revision of the framework. In addition, the review and redesign of Industry Canada's spectrum information technology systems is continuing, using a risk-based approach to ensure the sustainability of key system components.

The Government of Canada introduced Bill C-73 — amendments to the *Telecommunications Act* — to provide the CRTC with the authority to create and administer an administrative monetary penalty (AMP) scheme for contraventions of its decisions or of the Act. The bill received first reading before the dissolution of Parliament on November 29th, 2005. As well, on a more restricted basis, Bill C-37 — the Do Not Call Registry legislation — was proclaimed into law, resulting in the *Telecommunications Act* being amended to include smaller AMPs for non-compliant telemarketers.

Also, in the Budget Plan of February 23, 2005, the Government of Canada announced its intention to ask the CRTC to move expeditiously to implement wireless number portability (WNP). The Canadian Wireless Telecommunications Association subsequently announced that wireless carriers will implement WNP and develop a detailed implementation plan.

On May 17, 2005, the Task Force on Spam, composed of government, industry and other stakeholders, submitted its final report, following a year-long mandate. In addition to fostering a range of private sector-driven anti-spam initiatives, the Task Force called on the government to strengthen legislative measures to protect the Internet against spam, spyware and related threats through a new, "stand-alone" spam law.

At the international level, Industry Canada co-led the Canadian delegation to the second phase of the UN World Summit on the Information Society (WSIS) held in Tunis, November 16 to 18, 2005. The political statements agreed to at the Tunis Summit satisfactorily reflected Canada's views on the information society and the role of information and communications technologies as a key tool for economic, social and cultural development, and on the importance of partnerships for development. Industry Canada took a leadership role on the Summit issue of Internet governance and will continue to work to ensure that the Internet remains stable and secure. As a Summit outcome, Industry Canada will be engaged in WSIS-related reviews and initiatives undertaken at the International Telecommunication Union (ITU), one of the key agencies involved in WSIS follow-up.

In collaboration with the Canadian telecommunications industry, Industry Canada continued to ensure that ITU worldwide standards for radiocommunications and telecommunications applications are in place. In the area of telecommunications, technical contributions were made to the development of core standards for next-generation networks and a standards framework for telecommunications security. The Department also chaired the Canadian preparatory committees for three international study groups of the ITU standardization bureau. In addition, Industry Canada contributed to some 30 ITU recommendations in the area of radiocommunications. Due to Canadian efforts, ITU recommendations dealing with the use of ultrawideband (UWB) technology ensure radio-interference protection to existing services while allowing UWB products to enter the marketplace. Also, a new recommendation that established a global band plan for advanced mobile systems in the 2.5-GHz band was adopted by the ITU. This plan is harmonized with Canada's future use of this spectrum for mobile services.

Program Activity: Chief Information Office Sector — Marketplace

Description: Improve access and strengthen the integrity of the name search system used in corporate and trademark registration by providing Canadians and Canadian business with direct online access to a Web-based tool for conducting searches				
Expected Result: Improved and faster turn-around time for name search reports to business community and federal and provincial partners and stakeholders				
Performance Indicators			Results	
• Service standard levels reached (90 percent achievement)			• Service standard levels reached (batch, 100 percent; online, 90 percent)	
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources	
\$0.6 million	6.0 FTEs	\$0.6 million	\$0.6 million	5.0 FTEs

NUANS® (nuans.com) is a computerized search system that compares a proposed corporate name or trademark with databases of existing corporate bodies and trademarks. This comparison determines the similarity that exists between the proposed name or mark and existing names in the database, and produces a list of names that are found to be most similar.

New facilities such as NUANS Online, NUANS B2B and NUANS Expedited Reporting have been introduced to allow better and seamless integration of stakeholders' Web sites and NUANS. These facilities will allow stakeholders (search-houses, jurisdictions, etc.) to serve clients faster, with fewer steps, and in a simpler, more consistent manner with their respective online systems.

Program Activity: Office of Consumer Affairs — Marketplace

Description: Promotion and protection of consumer interests				
Expected Result: Strengthened responses to consumer issues				
Performance Indicators			Results	
• Number of initiatives responding to consumer issues with active engagement of the OCA			• 24 initiatives	
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources	
\$5.2 million	23 FTEs	\$5.8 million	\$5.6 million	23 FTEs

Working with other departments and governments, industry, consumer organizations, and academia, the Office of Consumer Affairs (OCA) plays a leadership role in conducting consumer research and in the development of policies and non-regulatory instruments for consumer protection.

During 2005–06, the OCA undertook research on key issues relating to consumer protection from identity theft, consumer rights in credit reporting, and payday lending. The research supports the continuing deliberations of the federal-provincial-territorial Consumer Measures Committee work in these areas. A joint federal-provincial-territorial public consultation on options for improving consumer protection against identity theft was also completed. Consumer information and education also remain priorities for the OCA in its Consumer Measures Committee work.

In addition, the OCA conducted research in a follow-up to the *Consumer Trends Report*. Initial research updates will be published next year (2006–07), focusing on cell phones and consumer literacy. Other subjects may be subsequently addressed.

The OCA also contributed to the work of the Telecommunications Policy Review Panel by commissioning research by consumer groups on telecommunications policy as it relates to consumers. Because of the need to address these research priorities, the OCA altered its original plan to publish its follow-up to the widely cited *Consumer Trends Report* during the reporting period. This work was transferred to the 2006–07 fiscal year.

Recognizing the significant impact that the private sector can have on consumers, employees, communities and the environment, the OCA undertook work in the area of corporate social responsibility (CSR). In March 2006, following consultations and the creation of a multi-stakeholder advisory group, the OCA published *Corporate Social Responsibility: An Implementation Guide for Canadian Business*.

The CSR guide builds on two earlier guides developed by the OCA: one pertaining to voluntary codes and the other, consumer complaints management. Both of these earlier guides have become base documents for the development, by the International Organization for Standardization (ISO), of international standards on customer satisfaction codes of conduct and dispute resolution.

Recently, the Ombudsman for Banking Services and Investments announced its intention to benchmark its activities against the ISO dispute resolution standard. It is hoped that the CSR guide will play a similar role in stimulating good business conduct and will be used as a base for international standards.

In addition to the leadership role it plays in developing international standards within the ISO, the OCA also plays a significant role in disseminating consumer information and strengthening capacity building for the consumer voluntary sector. For example, the OCA has been instrumental in creating effective tools to assist consumers in making complaints to merchants. The Complaint Courier, a feature of the OCA's Web site, is a leading-edge tool that enables consumers to file complaints more effectively and efficiently. The OCA's Web site provides seamless access to a wide and trusted base of consumer information, making a notable contribution toward ensuring that consumers have the knowledge they need to be better protected, to navigate the marketplace more effectively and to make decisions with confidence.

During 2005–06, the number of unique visitors for the two sectors of the Branch Web site averaged 56,875 per month (Consumer Connection) and 38,933 per month (Canadian Consumer Information Gateway). The OCA continued to enhance its Web presence, and developed plans for merging these two sectors, which will take place early in the new fiscal year. The new site will be accessible at www.consumerinformation.ca.

The OCA and its partners developed and disseminated information and advice for consumers that included the following:

- *Take Charge of Your Debts* (strategis.ic.gc.ca/epic/internet/inoca-bc.nsf/en/h_ca02144e.html);
- the updated Consumer Identity Theft Checklist (cmcweb.ca/epic/internet/incmc-cmc.nsf/en/fe00088e.html);
- the updated Web site guided tour (online tutorial) (consumerinformation.ca/app/oca/ccig/guidedTour.do?language=eng); and
- the *Canadian Consumer Handbook*, 2006 edition (consumer.ic.gc.ca/epic/internet/inoca-bc.nsf/en/h_ca02058e.html).

Finally, through its contribution program, the OCA provides funds to improve the capacity of voluntary and consumer organizations. During 2005–06, the OCA funded 38 research projects and five organizational development projects. Research projects funded for 2005–06 dealt with consumer issues in areas such as financial services, food and nutrition, telecommunications, identity theft, cross-border redress, warranties and automotive retailing.

Program Activity: Competition Bureau — Marketplace

Description: Development of and compliance with marketplace frameworks with respect to competition				
Expected Result: Compliance with legislation under the Competition Bureau's jurisdiction				
Performance Indicators		Results		
• Extent to which target groups comply with new Bureau requirements		• One failure to notify under Part IX of the <i>Competition Act</i>		
Expected Result: Application of competitive principles in the Canadian marketplace				
Performance Indicators		Results		
• Extent to which new policies and frameworks are developed		• In 2005–06, no frameworks were passed by Parliament to amend legislation under the Bureau's jurisdiction		
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources	
\$46.5 million	440 FTEs	\$60.0 million	\$55.7 million	453 FTEs

Advocacy

The Competition Bureau (the Bureau) joined forces with the United States to raise awareness of the dangers of fraud and to educate the public on how to “recognize it, report it and stop it.” The campaign’s audience reach (70 million) nearly doubled that of the previous year. The campaign included extensive media coverage on television and radio and in print. As Chair of the Fraud Prevention Forum, the Bureau works closely with more than 75 Canadian and American partners, from the law enforcement community, consumer groups, volunteer groups, government and the private sector, to raise awareness.

The month of March has been designated as Fraud Prevention Month, and a series of initiatives were undertaken to promote awareness. For example, the Bureau, in collaboration with Shred-it (a private-sector, secure paper-shredding company), local police forces and Better Business Bureaus across the country participated in the first-ever national community shredding event. Consumers were invited to bring their unwanted personal documents for shredding in order to protect themselves against identify theft.

On the global front, the Fraud Prevention Forum has now captured international attention. Through the International Consumer Protection and Enforcement Network (ICPEN), 24 countries have committed to raising public awareness worldwide with their own Fraud Prevention Month campaigns.

Enforcement

The Bureau’s complex investigation of Cascades Fine Papers Group Inc., Domtar Inc. and Unisource Canada Inc. resulted in their conviction in the Superior Court of Justice on two counts of conspiring to unduly lessen competition contrary to section 45 of the *Competition Act*. Each company was sentenced to record-setting fines of \$12.5 million for their part in the domestic conspiracy regarding carbonless sheets. Further, a prohibition order was issued against the companies, and key personnel involved in the conspiracy were removed or demoted from their positions in the paper merchant business. For the next three years, each company must provide written proof of compliance with the prohibition order. For the next five years, each company must also provide any additional information or records requested by the Commissioner of Competition for the purpose of monitoring compliance.

Cineplex Galaxy contacted the Bureau regarding its interest in acquiring Famous Players. As a result, the Bureau conducted an extensive merger review to determine the competitive effects of the proposed transaction. Results from the inquiry led the Bureau to conclude that a merger of Cineplex Galaxy and Famous Players was likely to result in a substantial lessening of competition in the exhibition of first-run motion pictures in a number of urban areas. The Commissioner of Competition and Cineplex Galaxy entered into a consent agreement pursuant to section 105 of the *Competition Act*. It required Cineplex Galaxy to sell 35 theatres in 17 cities in six provinces, with total annual box-office revenues of about \$100 million. In considering the

cities where divestitures would be required, the Bureau examined a number of factors, including pre- and post-merger market shares, theatre location, the quality and style of theatres, and remaining competition. This intervention ensures that competition in this market is maintained.

In April 2005, Sears Canada Inc. was ordered to pay a \$100,000 administrative monetary penalty, as well as \$387,000 toward the Bureau's legal costs, for a total of \$487,000, under the *Competition Act's* Deceptive Marketing Practices provisions. The order follows the Competition Tribunal's earlier decision that Sears breached the Act by making false or misleading representations regarding savings available to consumers when Sears advertised discounts on certain tires across Canada. The Tribunal's order also prohibits the automotive business division of Sears from engaging in similar representations for a period of 10 years. Sears agreed to pay the \$100,000 administrative monetary penalty and costs in a joint submission to the Competition Tribunal. The penalty represents the maximum that can be imposed on a corporation following an initial finding of reviewable conduct.

Services

The Information Centre Benchmarking Study was completed in July 2005, and 9 out of 10 recommendations have been adopted and are being implemented. Since the Information Centre is the Bureau's primary gateway for access by the public and the business community to request information and file complaints regarding anti-competitive activity, the recommendations emphasized the importance of reducing bottlenecks and non-issue contacts, as well as making certain that its officers are properly trained and sensitive to the importance of their role in the enforcement and administration of the four Acts. During 2005–06, the Bureau implemented an automated telephone system to filter incoming calls, which has reduced the number of non-issue calls by half. The system provides consumers and business with a short description of the Bureau's mandate and its role in enforcing the *Competition Act* and the three labelling statutes.

Program Activity: Canadian Intellectual Property Office — Marketplace

Description: Granting of intellectual property rights and the dissemination of intellectual property information in order to accelerate Canada's economic development			
Expected Results:			
<ul style="list-style-type: none"> • Deliver quality and timely intellectual property products and services • Increased awareness and use of intellectual property 			
Performance Indicators		Results	
<ul style="list-style-type: none"> • Turn-around times for: <ol style="list-style-type: none"> 1. Patents 2. Trade-marks 3. Copyrights 4. Industrial design 		<ol style="list-style-type: none"> 1. Patents: 82 percent of applications with a request for examination processed in less than 30 months 2. Trademarks: Applications processed within 5.6 months of filing date 3. Copyrights: Applications processed within 4 calendar days from receipt of application 4. Industrial designs: Applications processed within 12.6 months from receipt of application 	
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources
(\$15.6 million)*	942 FTEs	\$121.8 million	(\$27.6 million)* 857 FTEs

* See Table 3 on page 45 and Table 7 on page 49.

The Canadian Intellectual Property Office (CIPO) strives to deliver quality intellectual property products and services to its clients and stakeholders in a timely fashion, and works to foster greater awareness and more effective use of intellectual property by Canadians.

In 2005–06, CIPO set a new record of patent disposals¹⁰ by ending the year with 32,113 examination disposals, compared with 31,282 in 2004–05 and 26,731 in 2003–04. The number of trademarks and industrial design applications continued to climb in 2005–06, while copyright and patent applications rose only slightly compared with last year. Requests for patent examinations numbered 28,352, exceeding the mid-year forecast by about 10 percent.

To raise awareness of intellectual property in Canada, CIPO developed an outreach program for the education section and delivered more than 150 presentations across the country. CIPO also updated its Web site (cipo-opic.ic.gc.ca) with the addition of a Trade-marks Database Tutorial that explains the importance of trademarks information for business and tells users how to search more efficiently.

CIPO also launched the Canadian Industrial Designs Database and overhauled its databases of trademarks, patents and copyrights, making application and registration processes for all classes of intellectual property more user-friendly than ever. Sixty percent of all copyright applications and nearly 84 percent of trademark applications received this year were filed online, compared with about 50 percent and 81 percent, respectively, last year.

Further to royal assent in spring 2005 of Bill C-29, An Act to amend the *Patent Act*, section 2 of the bill was brought into force on February 1, 2006. This section provides patentholders and applicants with a one-year window to correct past fee payments to ensure the validity of their patent rights.

In the international arena, CIPO took the final step in its progression to international recognition as an International Searching Authority and International Preliminary Examining Authority (ISA/IPEA) when it issued its first *International Preliminary Report on Patentability* in early July 2005. ISA/IPEA status demonstrates Canada's commitment to continuous improvement in the range and quality of intellectual property services it delivers to clients.

10. Patent disposals consist of approvals, which lead to grants and abandonment for failing to act as required by the legislation.

STRATEGIC OUTCOME: AN INNOVATIVE ECONOMY

Each of the following program activities contributes to the strategic outcome through programs and initiatives, policy development and service delivery. Both financial and non-financial information is provided for each program activity. The results achieved represent a preliminary attempt at demonstrating how Industry Canada performed against the expected results outlined in its RPP. Further details on programs and initiatives mentioned in the following can be found in the Appendix on page 118.

Analysis by Program Activity

Program Activity: Policy Sector — Science and Technology (S&T) and Innovation

Description: Development of economic and scientific policy				
Expected Result: Development and coordination of policy frameworks in support of an innovative economy				
Performance Indicators		Results		
<ul style="list-style-type: none"> Funding secured or approval gained for existing or new initiatives that enhance innovation outcomes 		Industry Canada developed several proposals aimed at enhancing innovation outcomes and championed their inclusion in the budget. Budget 2005 announced increased federal support for the following programs: <ul style="list-style-type: none"> Canadian Academies of Science (now the Council of Canadian Academies); Genome Canada; the three federal granting councils; indirect costs of federally sponsored research; TRI-University Meson Facility's (TRIUMF's) five-year research plan; and the next five-year phase of Precarn. 		
Planned Spending and Resources		Total Authorities as per Public Accounts		Actual Spending and Resources
\$26.1 million	86 FTEs	\$43.0 million		\$42.2 million 65 FTEs

Knowledge derived from R&D is a key driver of economic growth. In 2005–06, the Policy Sector continued to promote innovation and research by delivering support to various research institutions and Canadians.

The most visible and direct impact the government has on research and innovation is through the funding support provided by the three granting councils for university research. The government's contributions to the granting councils have funded research across Canada and supported talented Canadian students in their graduate and postgraduate studies.

The government also provides support to universities for the indirect costs of research, which are costs of research not directly associated with a research project. This enables universities, colleges and their affiliates to increase their research outputs, train more highly qualified personnel, and better contribute to the economic and social development of their communities. All of this support has helped Canadian post-secondary institutions become major developers and diffusers of knowledge and technology in Canada and around the world.

The sector continued to work closely with the Business Development Bank of Canada (BDC) to ensure appropriate financing for innovative SMEs. BDC made a record \$2.5 billion in loan authorizations in 2005–06, and its venture capital division disbursed \$140 million. BDC's venture capital focuses on seed and early-stage financing and on finding new ways to turn ideas into competitive companies that will help to ensure long-term prosperity in Canada.

In addition, Industry Canada has contributed to the national innovation system by continuing to lend support to and monitor the performance of arm's-length granting organizations such as the Canada Foundation for Innovation (www.innovation.ca).

The Canada Foundation for Innovation supports Canadian universities' research capacity by providing funding for state-of-the-art research infrastructure. This not only helps retain highly qualified personnel, but also provides the incentive to foster leading-edge research in Canada.

Program Activity: Industry Sector — S&T and Innovation

Description: Development of policies and programs that stimulate research and development in order to accelerate commercialization in emerging technologies and priority sectors				
Expected Result: A stronger knowledge-based economy in all industrial sectors				
Performance Indicators		Results		
• Number of world-first products and services		• This indicator is measured by "the percentage of manufacturing firms that had greater than 25 percent of their total sales from new products in 2005." The source is Statistics Canada's Survey of Innovation 2005. ¹¹		
Planned Spending and Resources		Total Authorities as per Public Accounts		Actual Spending and Resources
\$20.1 million	81 FTEs	\$174.0 million		\$172.5 million 102 FTEs

The Industry Sector works to build a stronger knowledge-based economy in all sectors by enhancing the development, adaptation, diffusion and use of strategic and sustainable technologies, and by developing world-first products and services. To that end, a number of activities were undertaken in 2005–06 to advance enabling technologies.

In fiscal year 2005–06, the sector continued to be engaged in raising the issues and challenges that face the Canadian economy as nanotechnologies become more pervasive. The Industry Sector worked in partnership with the Office of the National Science Advisor in presenting to public servants a nanotechnology workshop in April 2005, as well as a seminar in March 2006 entitled "Nanotechnology: Big Issues for Small Science." The sector produced, reviewed or commented on 14 studies that were submitted to the Prime Minister's Advisory Council on Science and Technology. The sector also leads a federal network of 130 members who share information on nanotechnologies and provide input to international organizations such as the OECD and ISO.

Canadian manufacturers face huge competitive challenges. In 2005–06, the sector worked closely with stakeholders to table *Federal Response to the Canadian Manufacturers and Exporters' 20/20 Report*, which included the establishment of a network of 30 federal government departments, the development of an inventory of federal programs for manufacturing industries, and a successful symposium attended by industry, the provinces and federal government departments.

Collaboration with Canadian Manufacturers & Exporters also supported the production of *Influenza Pandemic: Continuity Planning Guide for Canadian Business*, which is designed to help the manufacturing industry prepare for a potential pandemic and mitigate the impact on industry, employees, customers and the bottom line.

The Industry Sector participated in an interdepartmental working group on an Oceans Action Plan. The Ocean Science and Technology Partnership (OSTP), a private sector–led initiative to advance and facilitate the commercialization of next-generation Canadian technologies, has been developed. Working with the OSTP, Industry Canada funded the design and development of a National Ocean Science and Technology Directory, which was distributed at major international events such as Oceanology International in London, England, in March 2006.

Canada has achieved an internationally recognized level of expertise in the development of Technology Roadmaps (TRMs). Developed in partnership with industry, TRMs build the

11. www.statcan.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=4218&lang=en&db=IMDB&dbg=f&adm=8&dis=2

intellectual foundation for long-term technological advances. By forming alliances with non-industry partners, including universities, research institutes and associations, as well as various government departments, government agencies, and occasionally provincial and municipal governments, TRMs also help to advance R&D, innovation and commercialization.

The Department led the development of a 15-country Future Fuel TRM for APEC (Asia-Pacific Economic Cooperation) countries in 2005. The TRM not only highlighted Canadian abilities with regard to future planning tools, but it also provided the opportunity to showcase Canadian future fuel alternatives. Other TRMs completed in the past year include those for Biopharmaceuticals, Welding and Joining, Language Industries, Clean Coal, and CO₂ Capture and Geological Storage. Ongoing initiatives include Aircraft Cabin Management Systems Integration Technology Insertion; Aerospace Composites Manufacturing, Processing and Repair; and Diagnostics, Prognostics and Engine Health Management Systems (strategis.gc.ca/epic/internet/intrm-crt.nsf/en/Home).

The 2005–06 fiscal year produced a series of achievements on both policy and program fronts under the Canadian Biotechnology Strategy. In response to the tremendous pace of global scientific advances in biotechnology, work was initiated by the Canadian Biotechnology Secretariat (CBSec) to review and update Canada's policy framework for biotechnology.

Contributions were made to the policy development process in the form of major reports by the Canadian Biotechnology Advisory Committee and operational support from CBSec in the areas of human genetic material, intellectual property and health, along with the release of the innovative *Dialogue Tool Kit* to help tackle contentious biotechnology issues. New interdepartmental work was also launched in 2005–06, involving the integration of bioethics in decision making, and improvements to Canada's biotechnology regulatory system. The CBSec is responsible for interdepartmental coordination, communication, horizontal management, governance and accountability under the Canadian Biotechnology Strategy.

Enhancements were made to Canada's flagship source of biotechnology information, the BioPortal (www.biotech.gc.ca), which is now the world's leading source of biotechnology information in French. CBSec also launched the BioNetwork, a new knowledge management Web tool for public servants to manage biotechnology issues. Finally, funds totalling \$6 million were invested across federal departments and agencies to address priority biotechnology policy issues, including, for example, commercialization strategies for biotechnology, biosafety policy, public opinion research and biotechnology regulatory policy.

Budget 2005 committed to strengthening the environment for research in Canada by providing Genome Canada (www.genomecanada.ca) with an additional \$165 million for research in genomics. With this investment, Genome Canada launched a third competition, which resulted in the funding of 33 innovative research projects and sophisticated S&T platforms across Canada, in key areas such as agriculture, environment, fisheries, forestry and health. A genomics review process was launched to examine the most appropriate role for Genome Canada and other agencies in providing support for Genomics research.

Program Activity: Spectrum, Information Technologies and Telecommunications Sector — S&T and Innovation

Description: Support advanced and applied research within the Canadian Information and communications technology sector for the development of innovative technologies			
Expected Result: Advanced and applied research within the Canadian ICT sector for the development of innovative technologies			
Performance Indicators		Results	
• Gross R&D expenditures in the ICT sector		• ICT business enterprise R&D increased by \$103 million to \$5,249 million in 2004.	
Planned Spending and Resources		Total Authorities as per Public Accounts	
Actual Spending and Resources		Actual Spending and Resources	
\$2.0 million	16 FTEs	\$20.8 million	\$20.8 million 4 FTEs

Through the Precarn Phase III and Phase IV **research programs**, Industry Canada continued to support the increased adoption and use of intelligent systems technologies. In 2005–06, phases III and IV resulted in 35 firms using technologies supported by Precarn. Development and commercialization of Canadian intelligent systems technologies continued, as 37 prototypes of new products were made using Canadian technologies.

Through a funding agreement with CANARIE Inc. in 2005–06, Industry Canada continued to support the development and operation of CA*net 4, Canada's advanced research network. CA*net 4 research infrastructure assists researchers in Canadian universities and colleges, research institutes and government laboratories to conduct collaborative research on a global basis in all fields of science, including high-energy physics and the life sciences. As part of its activities to develop technology for advanced research networks, CANARIE supported nine projects to develop networking tools to make it easier for Canadian researchers to carry out collaborative research over CA*net 4.

Program Activity: Communications Research Centre Canada — S&T and Innovation

Description: To be the centre of excellence for research and development in advanced telecommunications and information technologies, ensuring an independent source of advice for public policy	
Expected Result: Develop and maintain a high level of expertise and knowledge in technologies of importance to the Canadian telecommunications sector	
Performance Indicators	Results
• Number of scientific publications	<ul style="list-style-type: none"> • Journal papers: 145 • Conference presentations: 194 • Technical memoranda: 35 • Total scientific publications: 374
• Number of patents	<ul style="list-style-type: none"> • Active patents: 246 • New patent applications: 28 • New patents issued: 9

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Expected Result: Excellence in government and industrial client support through R&D and advice			
Performance Indicators		Results	
• Number of research partnerships		• Total active collaborative agreements with industry: 30 (4 new) • Total active collaborative agreements with universities/government: 53 (11 new)	
• Contracted R&D		• Contracting-in agreements: 65 (31 new) • Total revenues: \$2.71 million	
• Number of intellectual property licences		• Intellectual property licences: 381 (36 new)	
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources
\$48.7 million	421 FTEs	\$58.5 million	\$56.5 million 389 FTEs

The Communications Research Centre Canada (CRC) is the federal government's centre of excellence for research and development in telecommunications. As part of its mandate, CRC is an independent source of technical advice for public policy decisions and regulations (e.g. spectrum management and telecom policy); a contributor to telecommunications standards; a technology supporter of public health, safety and environmental and defence needs; and an enabler of economic and social development.

During 2005–06, CRC continued to conduct R&D on communications technologies of significant importance to Canada, including radio, satellite, broadcasting and fibre optics. This resulted in the publication of 339 external scientific and technical publications, 28 new patent applications, 36 new licences for companies to use CRC technology, and 31 new contracting-in arrangements.

As examples of successful research results, CRC's recent work on software-defined radio technology, an enabler for interoperability of different radio systems used for emergency communications has been licensed to 14 companies nationally and internationally and was honoured with an Excellence in Technology Transfer Award in Canada. As well, CRC's Microwave-Light Organized Network (MILTON) system, the world's first truly cognitive radio technology for broadband delivery, is currently being field-tested in Canada and India, with excellent future world-market potential.

CRC also continued to support Canadian industry, including SMEs, through technology transfer of its research results. Thirty-six new licences have been issued for the use of CRC technology, and over 30 new contracting-in agreements were undertaken. At present, CRC has 357 active licences worldwide, most of these in Canada. One of the CRC groups received a federal award for its transfer of software-defined radio technology. CRC also has, on average, six clients resident in its Innovation Centre.

CRC collaborated with the Spectrum, Information Technologies and Telecommunications Sector by conducting \$2.75 million worth of directed research related to Industry Canada's mandate for spectrum management, communications policy and regulatory decision making. CRC also worked with the ITU and the Institute of Electrical and Electronics Engineers (IEEE) in the development of standards to facilitate the efficient delivery of telecommunications and broadcasting applications.

In support of the Department of National Defence, directed research projects valued at \$5.66 million were carried out. For example, the Canadian Navy has evaluated and is now using CRC technology to provide an inter-ship wireless Internet Protocol network capability. CRC also manages all of the major satellite communications programs on behalf of the Canadian Space Agency.

Program Activity: Technology Partnerships Canada — S&T and Innovation

Description: Commercialization encouraged through strategic investments in innovative research and development				
Expected Result: Commercialization encouraged through strategic partnering in innovative R&D				
Performance Indicators			Results	
• Number of projects (which represents the number of strategic partnerships)			• 56 projects	
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources	
\$341.0 million	116 FTEs	\$490.9 million	\$473.7 million	114 FTEs

Technology Partnerships Canada (TPC) (tpc.ic.gc.ca) provides funding support for strategic research and development and for demonstration projects aimed at producing economic, social and environmental benefits to Canadians. In fall 2005, the government announced that TPC's enabling and environmental technologies components were closed to new applications.

TPC continued to invest in leading-edge technologies in 2005–06 in the technology areas of aerospace and defence, environmental technologies and enabling technologies (which includes biotechnology and health-related applications, as well as manufacturing and communications technologies). These investments supported Industry Canada's efforts to promote sustainable development, to maintain and build the industrial technology and skill base necessary for an innovative knowledge-based economy, and to encourage the development of SMEs in all regions of Canada.

TPC's repayable contributions assisted Canadians in developing new technologies and innovation, which created or maintained jobs for Canadians associated with those activities, as well as further developed the knowledge-based economy in Canada. TPC's total cumulative repayments as of March 31, 2006, amount to more than \$190.6 million.

During 2005–06, TPC and TPC-IRAP (a partnership with the National Research Council Canada's Industrial Research Assistance Program) contracted a total of 56 projects valued at over \$414 million. The aerospace and defence technologies contracted nine projects for approximately \$341 million, while the enabling technologies contracted three projects for just under \$21.5 million, and the environmental technologies contracted one project for \$30 million. TPC-IRAP contracted 43 projects, for a total investment of just over \$21 million.

In addition, two projects for \$300 million were contracted under the Program for Strategic Industrial Projects (PSIP), and two projects for approximately \$9 million were contracted under the h2EA (Hydrogen Early Adopters) program. PSIP provides a framework within a variety of larger strategic investment projects, and the h2EA program's goal is to foster the development of hydrogen and hydrogen-compatible technologies, such as fuel cells and technologies used to produce, store and distribute hydrogen.

STRATEGIC OUTCOME: COMPETITIVE INDUSTRY AND SUSTAINABLE COMMUNITIES

Each of the following program activities contributes to the strategic outcome through programs and initiatives, policy development and service delivery. Both financial and non-financial information is provided for each program activity. The results achieved represent a preliminary attempt at demonstrating how Industry Canada performed against the expected results outlined in its RPP. Further details on programs and initiatives mentioned in the text below can be found in the Appendix on page 130.

Analysis by Program Activity

Program Activity: Policy Sector — Economic Development

Description: Development of industry and international business policy			
Expected Result: Development and coordination of policy frameworks in support of competitive industry and sustainable communities			
Performance Indicators		Results	
<ul style="list-style-type: none"> Funding secured or approval gained for existing or new initiatives that enhance industry competitiveness 		Industry Canada developed several proposals aimed at enhancing industry competitiveness and championed their inclusion in the budget. Budget 2005 announced increased federal support for the following programs: <ul style="list-style-type: none"> the second phase of the National Research Council Canada's (NRC's) technology-based clusters in Atlantic Canada; the Canadian Space Agency; and \$88 million over five years to support the economic development of communities throughout Northern Ontario and in rural Southern Ontario. 	
Planned Spending and Resources		Total Authorities as per Public Accounts	
\$12.4 million	78 FTEs	\$28.2 million	\$27.2 million
			68 FTEs

The Policy Sector works to advance programs that support the Department's legislated mandate. Initiatives stemming from economic and policy research and proposals submitted by the administrators of existing programs must be presented in a clear, succinct way. Proposals must demonstrate not only that they fill gaps, such as those created by changing marketplace or international pressures, but also that they address issues in the most efficient and effective way. These proposals are then put forward for possible inclusion in government budgets and fiscal updates.

The Policy Sector also works to enable competitive industry and sustainable communities through its efforts to increase use by industry, institutions and communities of corporate social responsibility (CSR) and sustainable practices. It has worked to broaden CSR information and awareness as well as the take-up of innovative sustainability tools and practices within Canadian industry. The use of these practices helps firms to be more responsive to the social, environmental and economic needs of the communities in which they operate, and also to enhance their brand value, reputation and bottom-line performance.

In 2005–06, the Policy Sector continued to develop and coordinate policy frameworks in support of competitive industry and sustainable communities, while participating in policy and research activities and various programs administered under the Industry Portfolio. Economic research helps identify gaps and weaknesses in the marketplace, as well as best practices to rectify problem areas. In 2005–06, the Department prepared a number of research and analytical

reports on SME financing issues, using survey results from the SME Financing Data Initiative (SME FDI). Special attention was paid to venture capital, in view of its critical role in the commercialization of research. Profiles of financing needs and characteristics of specific stakeholder groups were completed or launched (e.g. women entrepreneurs, youth and high-growth firms).

Proposals supporting further development of NRC's technology-based clusters in Atlantic Canada, economic development of communities throughout Northern Ontario and rural Southern Ontario, and increased support to the Canadian Space Agency (Budget 2005) are examples of the Policy Sector's successful work in securing support for industry and community development.

Policy Sector and other federal government departments have worked with the provinces to eliminate barriers to the movement of goods, services, persons and investments within Canada. Recommendations have been developed for consideration by federal, provincial and territorial ministers responsible for the Agreement on Internal Trade (AIT) at a meeting in September 2006 in a number of areas, including labour mobility, dispute resolution and agriculture. These are a proposed action plan to deal with the recognition of workers' occupational qualifications across Canada, proposals to strengthen the AIT's dispute settlement process, and an expanded agriculture chapter.

Program Activity: Operations Sector — Economic Development

Description: Delivery of programs, information and intelligence on investment and technology opportunities to the business community				
Expected Result: Increased participation of SMEs and communities in the economy				
Performance Indicators			Results	
<ul style="list-style-type: none"> • Clients' perceptions of the benefits of the Operations Sector's services to their organizations 			<ul style="list-style-type: none"> • SME and community participation in the economy was increased, as demonstrated by results for each of the sector's programs (see page 132 in the Appendix) 	
Planned Spending and Resources		Total Authorities as per Public Accounts		Actual Spending and Resources
\$518.6 million	577 FTEs	\$390.1 million		\$377.4 million 435 FTEs

Industry Canada's Operations Sector contributed to a competitive industry and sustainable communities by delivering the following program activities:

- Canada Small Business Financing (CSBF) Program;
- the Federal Economic Development Initiative for Northern Ontario (FedNor);
- infrastructure programming in Ontario;
- Aboriginal Business Canada (ABC);
- regional delivery of programs and services; and
- delivering on the Department's responsibilities under section 41 of the *Official Languages Act*.

Canada Small Business Financing (CSBF) Program

The CSBF Program (strategis.gc.ca/csbfa) is designed to benefit small businesses by increasing the availability of loans and leases for establishing, expanding, modernizing and improving small businesses. The program also encourages financial institutions and leasing companies to make financing available to small businesses across Canada. In this way, the CSBF Program contributes to the economic growth of communities, as well as to their sustainability.

In 2005–06, more than 10,800 loans, totalling over \$1 billion, were registered under the CSBF Program. New business start-ups accounted for 59 percent of the loans registered. The CSBF Program has a legislated comprehensive review every five years. The first review report was completed and tabled in Parliament on April 22, 2005. The report concluded that the program

was still relevant to the needs of small businesses and that there is minimal overlap between the CSBF Program and other federal initiatives to support access to financing by small businesses. Industry Canada is continuing to work with stakeholders to address program improvements.

FedNor

FedNor continued to promote economic development, diversification and job creation and sustainable, self-reliant communities in Northern and rural Ontario through its programs. In 2005–06, FedNor committed \$97 million to businesses and community organizations, which leveraged more than \$110 million in additional funds from other sources.

Through the Northern Ontario Development Program, FedNor made strategic investments in six priority areas: community economic development, ICTs, innovation, trade and tourism, human capital, and business financing support. FedNor supported innovation-related projects to help Northern communities and businesses boost productivity and remain globally competitive. This included a \$6-million investment in the Northern Ontario School of Medicine, Canada's first medical school built in 30 years. This funding will be used to enhance the school's research capacity and encourage health-related research in rural communities.

To ensure Northern Ontario's effective participation in the knowledge-based economy, FedNor committed almost \$12 million in 2005–06 to telecommunications projects. These in turn contributed to improved connectivity in Northern Ontario's rural communities, and to the development of applications such as distance education, telehealth, and e-business and Web portals.

FedNor also invested more than \$2.8 million through its Youth Internship Program to support 225 internships, providing recent graduates with valuable work experience that could lead to permanent employment in Northern Ontario. Of the 56 percent of participants who were employed following the internship, 91 percent remained in Northern Ontario, helping the region to retain and develop highly qualified people.

Through the Community Futures Program (in Ontario), FedNor also continued to support a network of 61 Community Futures Development Corporations (CFDCs) in Ontario, which provided support to SMEs through strategic community planning and implementation, repayable financing for local businesses, and a variety of business services for SMEs. During 2005–06, more than \$50 million was invested through CFDC investment activities in over 1,140 businesses, leveraging more than \$88 million from other sources. Through these investments and the services provided by CFDCs, 8,061 jobs were created or maintained, and more than 3,200 businesses were started or expanded.

FedNor also delivered a second year's contribution from the Eastern Ontario Development Fund, designed to promote socio-economic development in rural Eastern Ontario. Almost \$12 million was invested through the region's 15 CFDCs in five priority areas: business and community development, skills development, access to capital, retention and attraction of youth, and technological enhancements. These investments helped build local capacity for development and create the conditions for increased business and employment opportunities.

Infrastructure Programming in Ontario

The \$2.05-billion Infrastructure Canada Program is helping to renew and build infrastructure in rural and urban municipalities across Canada. Through this initiative, the \$680.7-million Canada-Ontario Infrastructure Program (COIP) has invested in green municipal infrastructure, culture, tourism and transportation across Ontario since 2000. In 2005–06, COIP funding continued to provide Ontarians with safer and cleaner drinking water, better water and wastewater treatment systems, and improved access to recreation and entertainment facilities (www.ic.gc.ca/coip-pico).

Industry Canada also continued to deliver the Canada-Ontario Municipal Rural Infrastructure Fund (comrif.ca) — the Ontario component of the \$1-billion national Municipal Rural Infrastructure Fund (MRIF) — and continued to assist in the delivery of the \$4-billion national Canada Strategic Infrastructure Fund (CSIF) for select projects in Ontario. Detailed reporting for

MRIF and CSIF is done through Infrastructure Canada (infrastructure.gc.ca), a member of the Transport, Infrastructure and Communities Portfolio.

Aboriginal Business Canada (ABC) Program

In 2005–06, \$22.7 million in contributions made directly to Aboriginal entrepreneurs under the ABC program (abc-eac.ic.gc.ca) helped 289 clients to establish or acquire a business, and helped an additional 287 clients to expand one. These contributions resulted in a total investment, from all sources, of \$82.9 million in Aboriginal business growth and in the Canadian economy overall. In 2005, ABC gathered business performance information related to 273 establishment and acquisition projects. The data collected showed that 92.9 percent of these new businesses were still in operation after one year. Although it can be expected that this proportion may decrease as supported businesses enter their second and subsequent years of existence, these preliminary results show that the vast majority of ABC clients successfully launch their business and survive through their critical first year of operation.

ABC also provides support to a network of Aboriginal Financial Institutions (AFIs), which provide loans and business services to Aboriginal SMEs. ABC's work has resulted in the development of an Aboriginal-owned and -controlled institutional financing infrastructure for developmental lending and related advisory services, servicing 86 percent of the Aboriginal population. In 2005–06, ABC invested \$9.4 million in the network. Since ABC's inception, \$182 million in capitalization support to 30 Aboriginal Capital Corporations (ACCs) has resulted in \$656 million in investments. (Federal investment has been recycled 3.3 times.) As a result of the federal investment in the network of AFIs, it has been possible for these strengthened institutions to deliver a wide range of related programs for other government departments, creating a one-stop service for many Aboriginal entrepreneurs. Building on the 86-percent coverage of the AFI network, the enhanced access component of Access to Capital (ATC) programming ensures essentially full access to lending services across Canada.

ABC continues to provide support to 15 external delivery organizations, which are Aboriginal financial and business development institutions, to assist in capacity development. Support for these organizations continues to result in increased business development and entrepreneurship capacity on the part of these organizations, and extends the program reach into more remote areas of Canada, resulting in improved program availability.

Regional Delivery of Programs and Services

Industry Canada's five regional offices serve as key sources for analysis, intelligence gathering and advice. The regional offices inform and advance departmental priorities, as well as assist and inform industry clients.

Based on their networks and strategic partnerships, and through the delivery of local programs, the regional offices are uniquely positioned to support both Industry Canada headquarters and industry clients across the regions. Regional office staff cover the following wide range of activities:

- research and analysis;
- intelligence gathering and dissemination;
- program delivery;
- local outreach;
- support for ministerial and senior management visits to the regions; and
- coordination of economic development-related activities with regional stakeholders and clients.

Section 41 of the Official Languages Act

The Industry Canada component of the federal government's Action Plan for Official Languages represents an extension of the Department's ongoing efforts to improve minority community access to existing programs and to increase community participation in these programs. Through a series of outreach sessions, the four national associations representing official-language minority communities (OLMCs) across Canada are made aware and kept informed of Industry Canada's programs and services. In 2005–06, total investments by the Department to

OLMCs amounted to \$10.9 million, including \$2.95 million under the federal Action Plan for Official Languages. An analysis of these investments shows that they are proportional to the demographic weight of OLMCs throughout Canada.

Program Activity: Industry Sector — Economic Development

Description: Development of policies and programs that support global competitiveness and sustainable economic growth in priority sectors and emerging technologies				
Expected Result: More firms capable of competing in global markets				
Performance Indicators		Results		
• Dollar value of exports		<ul style="list-style-type: none"> • Manufacturing: \$314.3 billion • Travel services: \$16.5 billion • Commercial services: \$33.2 billion 		
• Number of Canadian firms in the export market as a proportion of all firms in operation in Canada		• Exports as percentage of total manufacturing shipments: 49.5 percent		
• Dollar value of investments (domestic and foreign)		<ul style="list-style-type: none"> • Investment in machinery and equipment: <ul style="list-style-type: none"> • manufacturing: \$17,823 million • wholesale and retail trade: \$6,912 million • Foreign direct investment: <ul style="list-style-type: none"> • manufacturing: \$105.3 billion • wholesale and retail trade: \$44.6 billion • Canadian direct investment abroad: <ul style="list-style-type: none"> • manufacturing: \$102.9 billion • wholesale and retail trade: \$15.0 billion 		
Planned Spending and Resources		Total Authorities as per Public Accounts		Actual Spending and Resources
\$231.4 million	289 FTEs	\$87.7 million		\$83.0 million 289 FTEs

To support global competitiveness and sustainable economic growth, the Department undertook a number of initiatives to help Canadian firms move up the value chain and become more competitive in domestic and global supply chains.

In February 2006, Industry Canada hosted a Global Supply Chains Conference. This conference attracted more than 270 participants from government, academia and the private sector, and featured distinguished speakers from all three areas of endeavour. The conference gave participants an opportunity to develop a better understanding of the growth of global supply chains, the use of global supply chains by Canadian firms, and the implications for government policies and programs (strategis.gc.ca/epic/internet/ingsc-gcsf.nsf/en/Home).

In partnership with relevant industrial stakeholders, Industry Canada developed in-depth strategies in the automotive, aerospace, life sciences, tourism and renewable energy sectors to identify competitive strengths and challenges for a number of key Canadian industries.

To strengthen the prospects for the Canadian automotive sector, the Department continued to manage a government-wide interdepartmental process involving senior government officials, including participation at the Assistant Deputy Minister level, to identify key competitiveness issues facing the industry and to develop appropriate responses and strategies.

Industries in the life sciences sector are expected to play an increasingly important role in the global economy. A strategy was pursued through analytical work on a more targeted approach to encourage life science industries' efforts in R&D and commercialization; participation in interdepartmental initiatives in the areas of vaccines, pandemics and clinical trials; and engagements in federal efforts in the areas of alternative energy and increased value-added initiatives in the natural resource sectors.

The sector continued to lead the development of a national tourism strategy by obtaining agreement from federal-provincial-territorial tourism Deputy Ministers on six key priority areas for collaboration, along with goals, strategies and desired outcomes. This material was presented to the industry and feedback was positive. Work was initiated with provinces,

territories and federal partners to identify proposed actions for implementation in order to help the tourism industry, take advantage of opportunities and ensure that Canada remains a competitive tourist destination.

Industry Canada is a partner in the Government of Canada's efforts, led by the Department of Foreign Affairs and International Trade, to stimulate trade and investment flows that can benefit the Canadian economy, including through increased sales and access to new markets for Canadian products. The Industry Sector contributes to these efforts through strategic analysis and by participating in domestic and international visit programs. The sector also disseminates marketing tools and information and provides support to selected major trade shows and business development missions.

SourceCAN (www.sourcecan.gc.ca), a multi-sectoral initiative led by the Industry Sector in partnership with government departments and agencies and the provinces, has proven to be a particularly effective tool for enhancing access by Canadian firms to domestic and international business opportunities. SourceCAN has added the international financial institutions (IFIs) and Work Bank feed to its current offerings. At present, SourceCAN is disseminating a total of 50 different opportunity sources — comprising nine Canadian sources, one from the U.S. government and 40 from the IFIs.

For more information on the activities of the Industry Sector, please see page 135 of the Appendix.

Program Activity: Spectrum, Information Technologies and Telecommunications Sector — Economic Development

Description: Promotes economic development by ensuring Canadians, communities and businesses have access to reliable modern ICT infrastructure and the skills needed to fully participate in the digital economy. Enhances entrepreneurship and life-long learning by fostering the creation of advanced enabling applications and technologies. Supports the development of a competitive ICT industry in Canada.

Expected Result: Increased dissemination, use and exploitation of information technology and telecommunications solutions to and by Canadians

Performance Indicators	Results
<ul style="list-style-type: none"> • Assessment of individual program expected results 	<ul style="list-style-type: none"> • The 2005–06 fiscal year represented the Broadband for Rural and Northern Development Pilot Program's most active year, with expenditures on broadband deployment exceeding \$37 million. A combination of negotiations and savings enabled the program to fund an additional four projects, representing 30 communities. • The following results are based on the final reports received from 18 of 29 completed pilot program projects: <ul style="list-style-type: none"> • Between 80 and 95 percent of individuals intend to use the new infrastructure to access telehealth applications, online purchases and marketing, distance education, and government online applications. • After less than three months of operation, network subscription uptakes are at 54 percent of one-year targets. • Round 2 of the National Satellite Initiative closed in May 2005: 29 applications were received, two have been funded, and the remaining applications are under review. The initiative is designed to provide high-speed Internet access to Canada's most remote communities. • Data regarding penetration of the digital divide under the Community Access Program (CAP) was collected over the year. The program's target audience was refocused in 2004 to channel limited resources into the communities that have the most pressing needs. Preliminary results indicate that CAP sites are now focused on digital divide groups as follows: low income (69 percent), rural (68 percent), seniors (59 percent), Francophones (39 percent), limited education clientele (65 percent), recent immigrants (37 percent), Aboriginal Canadians (26 percent) and persons with disabilities (49 percent). • Supported the development of a consortium model for post-secondary online learning. • Conducted research on the use of the Internet for Aboriginal post-secondary education. • Conducted an assessment of digital rights management in the context of e-learning. • Supported research on interoperability standards related to e-learning.

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Expected Result: Improved competitive framework for the Canadian ICT sector				
Performance Indicators		Results		
• Assessment of the ICT sector performance and related issues		• Produced quarterly assessments of ICT sector performance, in terms of sub-sector output, employment and emerging trends.		
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources	
\$128.2 million	245 FTEs	\$122.1 million	\$119.6 million	192 FTEs

In 2005–06, Industry Canada continued to ensure that all Canadians were provided with access to a reliable digital infrastructure through such programs as the Broadband for Rural and Northern Development Pilot Program and the National Satellite Initiative (NSI). A total of 294 communities now have access to high-speed Internet.

The NSI has completed Round 1 — the allocation of 28 MHz of C-band public benefit capacity, valued at \$20 million — and has provided connectivity to 18 remote communities. Industry Canada has also provided 200 Canadian research facilities with access to CA*net 4, linking research partners nationally and internationally.

With respect to e-learning, 14 member institutions of Campus Canada and 89 Campus Connection participants offered online courses to Canadians. Slightly more than 3,000 online post-secondary courses are now available to Canadian learners.

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

- supporting nearly 4,000 CAP sites;
- providing 113,411 refurbished computers to schools, libraries and not-for-profit learning organizations; and
- increasing uptake of First Nations SchoolNet participation, reaching approximately 600 First Nations schools on reserves.

In 2005–06, Industry Canada supported the development of a competitive ICT industry, by positioning Canadian companies for growth and innovation in the global marketplace. This support included national and regional analysis of the Canadian ICT sector, as well as representation of the ICT sector's perspective regarding commercialization to the Expert Panel on Commercialization. It also involved organizing and supporting 96 corporate calls on investment targets and generating 329 sales leads through the coordination of Canadian pavilions at international trade shows.

Program Activity: Chief Information Office — Economic Development

Description: Improved online service to business and consumer information on behalf of Industry Canada and multi-channel service to business on behalf of the Government of Canada (GoC)*			
Expected Result: Canadian businesses and consumers receive improved online service from Industry Canada			
Performance Indicators		Results	
<ul style="list-style-type: none"> • Use of Strategis and Business Gateway / Canada Business Service Centre (CBSC) sites 		<ul style="list-style-type: none"> • Departmental online services attracted 18,562,086 visits during the year, representing a 15.25-percent increase in utilization compared with the previous period. • A total of 7 million visits to the Canada Business Network Web site • Web services exceeded reliability expectations, with downtime from unplanned, partial outages limited to approximately 2.12 percent during the entire 2005–06 fiscal year. 	
Expected Result: Canadian businesses and consumers have an enhanced multi-channel service delivery at the GoC level			
Performance Indicators		Results	
<ul style="list-style-type: none"> • Merger of Business Gateway and CBSC sites 		<ul style="list-style-type: none"> • Business Gateway and CBSC sites were merged on April 28, 2005, to form the new Canada Business Network Web site 	
Planned Spending and Resources		Total Authorities as per Public Accounts	Actual Spending and Resources
\$15.5 million	109 FTEs	\$20.2 million	\$18.9 million 66 FTEs

* As of 2005, Canada Business reports through Industry Canada's Operations Sector. Information is being reported under the Chief Information Office to mirror the reporting structure found in the 2005–06 *Report on Plans and Priorities*.

The Department maintains over 200 Web sites that serve a broad range of clients. They include both transactional services and information products designed to assist Canadians with some of the information they need to pursue business opportunities at home and abroad. Its most popular site is an online database of more than 60,000 Canadian firms (strategis.ic.gc.ca/sc_coinf/ccc/engdoc/homepage.html), which acts as a business directory bringing buyers and sellers together. Other popular Industry Canada sites include market research studies identifying opportunities at home and abroad, as well as industrial and economic statistics in a user-friendly format (strategis.gc.ca/epic/internet/inimr-ri2.nsf/en/gr-01000e.html). Client surveys reveal that the public considers Industry Canada's information Web sites as time- and money-savers, and that they provide insights in making business decisions (strategis.ic.gc.ca/sc_ecnmy/sio/homepage.html).

Transactional Web sites are most commonly found in marketplace services. These Web sites accelerate communications with clients and save costs.

The Web site known as Canada Business (canadabusiness.gc.ca) is a portal that is part of a multi-channel service centre designed to help Canadian businesses find the Government of Canada programs and services that they need.

Canada Business continues to encourage self-service access in its channel management strategy while offering choice for clients who need assistance. In 2005–06, there were 7 million visits to the Canada Business Web site, a year-over-year increase of 11.8 percent. Canada Business handled approximately 235,280 telephone, in-person and email contacts with Canadian entrepreneurs, a decrease of 11.9 percent over the previous year, indicating that online resources are increasingly effective in answering questions.

Canada Business continued to survey client satisfaction throughout 2005–06. In-house client surveys were conducted at the Canada Business Network in British Columbia, Alberta and Quebec, and all indicated high levels of client satisfaction.

In 2005–06, Canada Business introduced a new approach to the delivery of online information by implementing a content syndication pilot with several partners. Content syndication is a new and highly effective way to extend the reach of Canada Business information and services by rendering relevant information directly into partners' Web sites. This eliminates the need to recreate content or to link back and forth between sites to search for information — in short, content syndication improves clients' online experience considerably. Canada Business will continue to evolve content syndication in 2006–07 by increasing the number of partners and offering a wider selection of syndicated content and services.

Canada Business also introduced a new user-centred design approach that calls for regular improvements to the navigation, structure and presentation of information and services on its Web site, based on client feedback.

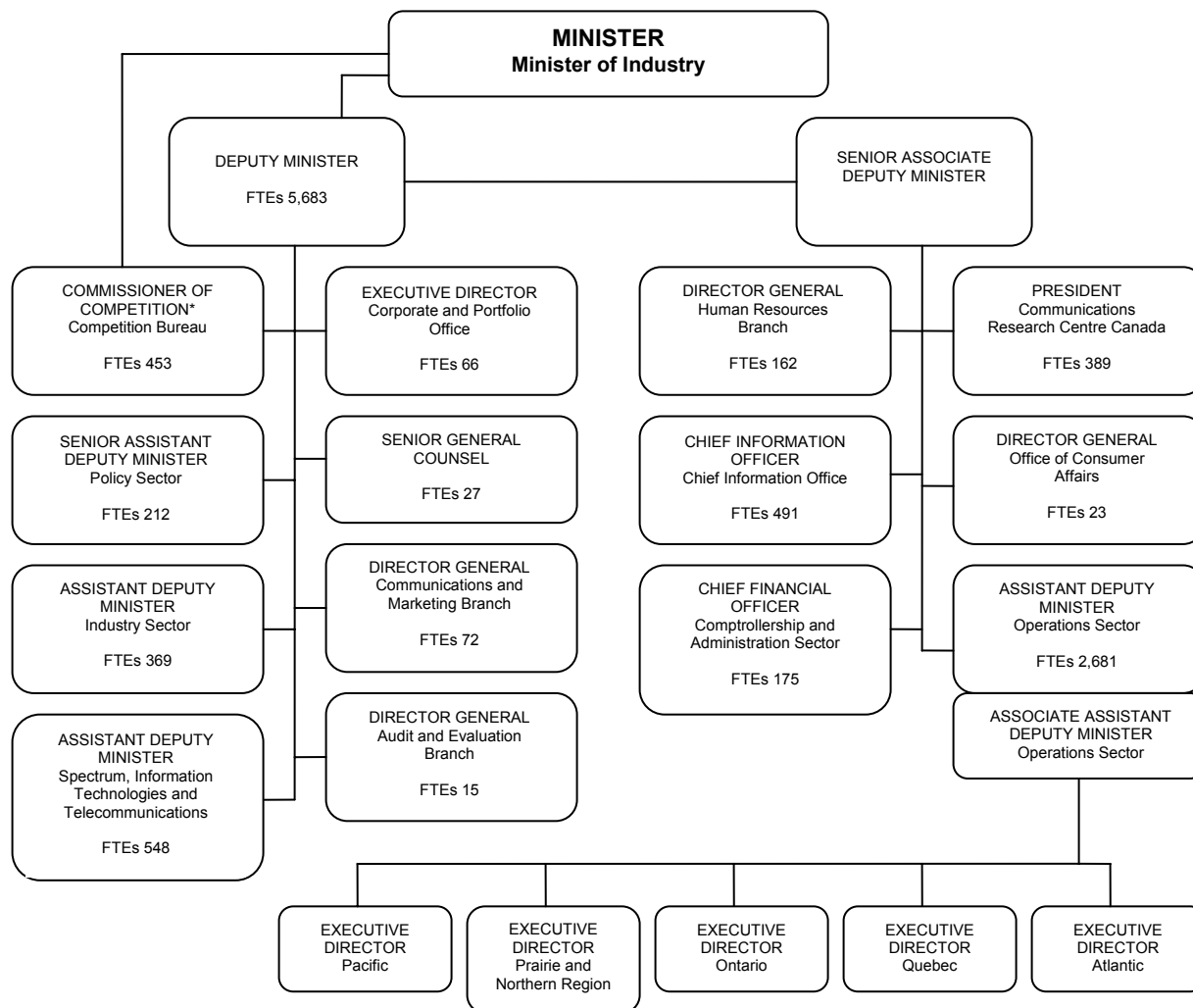
A new desktop tool for front-line Canada Business staff has been deployed. The new system organizes information resources to serve the client, manages workflow and captures service statistics.

Section 3:

Supplementary Information

3.1 Organizational Information

Industry Canada's organizational chart illustrates the Department's accountability structure down to the program activity level. Included in the chart are the number of full-time equivalents allocated to each organization.



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

3.2 Financial Summary Tables

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

(\$ millions)*	2003–04 Actual	2004–05 Actual	2005–06			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
A Fair, Efficient and Competitive Marketplace						
Policy Sector — Marketplace	—	—	5.2	7.1	8.1	7.2
Operations Sector — Marketplace	—	—	115.7	115.5	118.9	110.2
Spectrum, Information Technologies and Telecommunications Sector — Marketplace	—	—	53.9	54.1	76.8	73.4
Chief Information Office Sector — Marketplace	—	—	0.6	0.6	0.6	0.6
Office of Consumer Affairs	—	—	5.2	5.2	5.8	5.6
Competition Bureau	—	—	38.6	46.5	60.0	55.7
Canadian Intellectual Property Office (CIPO) Revolving Fund	—	—	(15.6)	(15.6)	121.8	(27.6)
Subtotal	—	—	203.7	213.5	391.9	225.2
An Innovative Economy						
Policy Sector — S&T and Innovation	—	—	11.1	26.1	43.0	42.2
Industry Sector — S&T and Innovation	—	—	10.6	20.1	174.0	172.5
Spectrum, Information Technologies and Telecommunications Sector — S&T and Innovation	—	—	2.0	2.0	20.8	20.8
Communications Research Centre Canada	—	—	45.8	48.7	58.5	56.5
Technology Partnerships Canada	—	—	354.5	341.0	490.9	473.7
Subtotal	—	—	423.9	437.8	787.2	765.7
Competitive Industry and Sustainable Communities						
Policy Sector — Economic Development	—	—	12.4	12.4	28.2	27.2
Operations Sector — Economic Development	—	—	442.5	518.6	388.2	377.4
Industry Sector — Economic Development	—	—	104.6	230.6	86.9	83.0
Spectrum, Information Technologies and Telecommunications Sector — Economic Development	—	—	128.4	128.2	122.1	119.6
Chief Information Office Sector — Economic Development	—	—	15.5	15.5	20.2	18.9
Subtotal	—	—	703.4	905.3	645.6	626.2
Budgetary Main Estimates	1,912.8	1,376.6	1,331.0	1,556.6	1,824.7	1,617.0
Non-Budgetary Main Estimates	—	—	0.8	0.8	2.8	—
Total	1,912.8	1,376.6	1,331.8	1,557.4	1,827.4	1,617.0
Total Budgetary and Non-Budgetary	1,912.8	1,376.6	—	1,557.4	—	1,617.0
Less: Non-responsible revenue**	(254.5)	(599.1)	—	(568.4)	—	(485.4)
Plus: Cost of services received without charge**	79.4	77.9	—	76.2	—	79.8
Net Cost of Department	1,737.7	855.4	—	1,065.2	—	1,211.4
Full-Time Equivalents	5,808	5,739	—	5,942	—	5,683

* Minor differences are due to rounding.

** Non-responsible revenue and services received without charge are not included in the Main Estimates or Total Authorities of the Department.

Note: The current strategic outcomes and programs activity structure was implemented in Industry Canada's financial system in 2005–06 only. Consequently, no such breakdown is available for previous years.

Table 2: Resources by Program Activity

2005–06 (\$ millions)*									
Program Activity by Strategic Outcome	Budgetary							Plus: Non-Budgetary	Total
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments, and Advances	
A fair, efficient and competitive marketplace									
Policy Sector – Marketplace									
Main Estimates	5.2	-	-	-	5.2	-	5.2	-	5.2
Planned Spending	7.1	-	-	-	7.1	-	7.1	-	7.1
Total Authorities	7.4	0.2	0.6	-	8.1	-	8.1	-	8.1
Actual Spending	6.8	0.2	0.3	-	7.2	-	7.2	-	7.2
Operations Sector – Marketplace									
Main Estimates	155.1	0.4	-	-	155.5	(39.8)	115.7	-	115.7
Planned Spending	154.9	0.4	-	-	155.3	(39.8)	115.5	-	115.5
Total Authorities	155.4	3.2	-	-	158.6	(39.8)	118.9	-	118.9
Actual Spending	146.9	3.1	-	-	150.0	(39.8)	110.2	-	110.2
Spectrum, Information Technologies and Telecommunications Sector – Marketplace									
Main Estimates	47.0	-	6.9	-	53.9	-	53.9	-	53.9
Planned Spending	47.2	-	6.9	-	54.1	-	54.1	-	54.1
Total Authorities	63.9	6.0	6.9	-	76.8	-	76.8	-	76.8
Actual Spending	60.7	6.0	6.7	-	73.4	-	73.4	-	73.4
Chief Information Office Sector – Marketplace									
Main Estimates	0.6	-	-	-	0.6	-	0.6	-	0.6
Planned Spending	0.6	-	-	-	0.6	-	0.6	-	0.6
Total Authorities	0.6	-	-	-	0.6	-	0.6	-	0.6
Actual Spending	0.6	-	-	-	0.6	-	0.6	-	0.6
Office of Consumer Affairs									
Main Estimates	3.5	-	-	1.7	5.2	-	5.2	-	5.2
Planned Spending	3.5	-	-	1.7	5.2	-	5.2	-	5.2
Total Authorities	4.0	0.1	-	1.7	5.8	-	5.8	-	5.8
Actual Spending	3.9	0.1	-	1.7	5.6	-	5.6	-	5.6
Competition Bureau									
Main Estimates	49.0	0.1	-	-	49.1	(10.5)	38.6	-	38.6
Planned Spending	56.9	0.1	-	-	57.0	(10.5)	46.5	-	46.5
Total Authorities	69.6	0.9	-	-	70.5	(10.5)	60.0	-	60.0
Actual Spending	65.3	0.9	-	-	66.2	(10.5)	55.7	-	55.7
Canadian Intellectual Property Office									
Main Estimates	129.0	-	-	-	129.0	(144.7)	(15.6)	-	(15.6)
Planned Spending	129.0	-	-	-	129.0	(144.7)	(15.6)	-	(15.6)
Total Authorities	266.4	-	-	-	266.4	(144.7)	121.8	-	121.8
Actual Spending	109.7	-	-	-	109.7	(137.3)	(27.6)	-	(27.6)
Subtotal – Marketplace									
Main Estimates	389.5	0.5	6.9	1.7	398.6	(194.9)	203.7	-	203.7
Planned Spending	399.3	0.5	6.9	1.7	408.4	(194.9)	213.5	-	213.5
Total Authorities	567.4	10.4	7.4	1.7	586.9	(194.9)	391.9	-	391.9
Actual Spending	393.8	10.2	7.0	1.7	412.7	(187.6)	225.2	-	225.2
An innovative economy									
Policy Sector – S&T and Innovation									
Main Estimates	11.1	-	-	-	11.1	-	11.1	-	11.1
Planned Spending	16.4	-	-	9.7	26.1	-	26.1	-	26.1
Total Authorities	12.8	0.2	30.0	-	43.0	-	43.0	-	43.0
Actual Spending	12.0	0.2	30.0	-	42.2	-	42.2	-	42.2
Industry Sector – S&T and Innovation									
Main Estimates	10.6	-	-	-	10.6	-	10.6	-	10.6
Planned Spending	20.1	-	-	-	20.1	-	20.1	-	20.1
Total Authorities	8.8	0.2	165.0	-	174.0	-	174.0	-	174.0
Actual Spending	7.3	0.2	165.0	-	172.5	-	172.5	-	172.5
Spectrum, Information Technologies and Telecommunications Sector – S&T and innovation									
Main Estimates	2.0	-	-	-	2.0	-	2.0	-	2.0
Planned Spending	2.0	-	-	-	2.0	-	2.0	-	2.0
Total Authorities	0.8	-	20.0	-	20.8	-	20.8	-	20.8
Actual Spending	0.8	-	20.0	-	20.8	-	20.8	-	20.8

* Minor differences are due to rounding.

Continued on next page

2005–06 (\$ millions)*

Program Activity by Strategic Outcome	Budgetary							Plus: Non-Budgetary	Total
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments, and Advances	
Communications Research Centre Canada									
Main Estimates	53.0	2.5	-	-	55.5	(9.7)	45.8	-	45.8
Planned Spending	52.9	5.5	-	-	58.4	(9.7)	48.7	-	48.7
Total Authorities	62.7	5.4	-	-	68.1	(9.7)	58.5	-	58.5
Actual Spending	59.5	5.4	-	-	64.9	(8.4)	56.5	-	56.5
Technology Partnerships Canada									
Main Estimates	16.9	-	-	337.6	354.5	-	354.5	-	354.5
Planned Spending	16.9	-	-	324.1	341.0	-	341.0	-	341.0
Total Authorities	22.9	0.3	-	467.7	490.9	-	490.9	-	490.9
Actual Spending	21.8	0.3	-	451.6	473.7	-	473.7	-	473.7
Subtotal S&T and Innovation									
Main Estimates	93.5	2.5	-	337.6	433.6	(9.7)	423.9	-	423.9
Planned Spending	108.2	5.5	-	333.8	447.5	(9.7)	437.8	-	437.8
Total Authorities	108.0	6.1	215.0	467.7	796.8	(9.7)	787.2	-	787.2
Actual Spending	101.4	6.1	215.0	451.6	774.1	(8.4)	765.7	-	765.7
Competitive industry and sustainable communities Policy Sector – Economic Development									
Main Estimates	12.4	-	-	-	12.4	-	12.4	-	12.4
Planned Spending	12.4	-	-	-	12.4	-	12.4	-	12.4
Total Authorities	18.0	0.2	10.0	-	28.2	-	28.2	-	28.2
Actual Spending	16.9	0.2	10.0	-	27.2	-	27.2	-	27.2
Operations Sector – Economic Development									
Main Estimates	53.2	0.2	-	389.1	442.5	-	442.5	-	442.5
Planned Spending	97.9	0.2	-	420.5	518.6	-	518.6	-	518.6
Total Authorities	69.0	1.1	-	318.1	388.2	-	388.2	2.0	390.1
Actual Spending	65.1	1.0	-	311.2	377.4	-	377.4	-	377.4
Industry Sector – Economic Development									
Main Estimates	43.7	-	-	60.9	104.6	-	104.6	0.8	105.4
Planned Spending	54.7	-	-	175.9	230.6	-	230.6	0.8	231.4
Total Authorities	61.2	0.7	-	24.9	86.9	-	86.9	0.8	87.7
Actual Spending	57.9	0.7	-	24.4	83.0	-	83.0	-	83.0
Spectrum, Information Technologies and Telecommunications Sector – Economic Development									
Main Estimates	24.8	-	-	103.6	128.4	-	128.4	-	128.4
Planned Spending	24.6	-	-	103.6	128.2	-	128.2	-	128.2
Total Authorities	32.6	0.5	-	89.0	122.1	-	122.1	-	122.1
Actual Spending	30.7	0.5	-	88.4	119.6	-	119.6	-	119.6
Chief Information Office Sector – Economic Development									
Main Estimates	12.0	0.6	-	2.9	15.5	-	15.5	-	15.5
Planned Spending	12.0	0.6	-	2.9	15.5	-	15.5	-	15.5
Total Authorities	19.4	0.8	-	-	20.2	-	20.2	-	20.2
Actual Spending	18.1	0.8	-	-	18.9	-	18.9	-	18.9
Subtotal – Economic Development									
Main Estimates	146.1	0.8	-	556.5	703.4	-	703.4	0.8	704.2
Planned Spending	201.6	0.8	-	702.9	905.3	-	905.3	0.8	906.1
Total Authorities	200.1	3.4	10.0	432.1	645.6	-	645.6	2.8	648.3
Actual Spending	188.8	3.3	10.0	424.1	626.2	-	626.2	-	626.2
Grand Total									
Main Estimates	629.1	3.9	6.9	895.7	1,535.6	(204.6)	1,331.0	0.8	1,331.8
Planned Spending	709.0	6.9	6.9	1,038.3	1,761.1	(204.6)	1,556.6	0.8	1,557.4
Total Authorities	875.5	19.9	232.4	901.5	2,029.2	(204.6)	1,824.7	2.8	1,827.4
Actual Spending	684.0	19.5	232.0	877.4	1,813.0	(196.0)	1,617.0	-	1,617.0

* Minor differences are due to rounding.

Table 3: Voted and Statutory Items

2005–06 (\$ millions)*					
Voted or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates	Planned Spending	Total Authorities	Total Actuals
1	Operating expenditures	382.3	462.2	484.9	451.7
5	Capital expenditures	3.9	6.9	19.9	19.6
10	Grants and contributions	774.9	917.5	830.5	806.0
(S)	Minister of Industry salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Insurance payments under the Enterprise Development and Regional Development Program	10.0	10.0	—	—
(S)	Canadian Intellectual Property Office Revolving Fund	(15.6)	(15.6)	121.8	(27.6)
(S)	Liabilities under the <i>Small Business Loans Act</i> (SBLA)	8.3	8.3	5.2	5.2
(S)	Liabilities under the <i>Canada Small Business Financing Act</i> (CSBFA)	109.4	109.4	73.0	73.0
(S)	Contributions to employee benefit plans	57.8	57.8	63.3	63.3
(S)	Spending of proceeds from the disposal of surplus Crown assets	—	—	0.5	0.2
(S)	Refunds to amounts credited to revenues in previous years	—	—	0.3	0.3
(S)	Losses on foreign exchange	—	—	—	—
(S)	Liabilities for loan guarantee payments pursuant to paragraph 14(1) of the <i>Department of Industry Act</i>	—	—	0.2	0.2
(S)	Canadian Academies of Science	—	—	30.0	30.0
(S)	Grant to Genome Canada	—	—	165.0	165.0
(S)	Grant to Precarn Incorporated	—	—	20.0	20.0
(S)	Grant to Canadian Youth Business Foundation	—	—	10.0	10.0
	Total Budgetary	1,331.0	1,556.6	1,824.7	1,617.0
L15	Payments pursuant to subsection 14(2) of the <i>Department of Industry Act</i>	0.3	0.3	0.3	—
L20	Loans pursuant to paragraph 14(1)(a) of the <i>Department of Industry Act</i>	0.5	0.5	0.5	—
L97b	Advances to regional offices and employees posted abroad. <i>Appropriation Act No. 1, 1970</i> . Limit \$1,950,000 (net)	—	—	2.0	—
	Total Non-Budgetary	0.8	0.8	2.8	0.0
	Total Department	1,331.8	1,557.4	1,827.4	1,617.0

* Minor differences are due to rounding.

Table 4: Services Received Without Charge

(\$ millions)*	2005-06
Accommodation provided by Public Works and Government Services Canada (PWGSC)	52.1
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds)	22.8
Workers' compensation coverage provided by Social Development Canada	0.4
Salary and associated expenditures of legal services provided by the Department of Justice Canada	4.5
Total 2005-06 services received without charge	79.8

* Minor differences are due to rounding.

Table 5: Loans, Investments and Advances (Non-Budgetary)

(\$ millions)	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Spending	Total Authorities	Actual
Competitive Industry and Sustainable Communities						
Industry Sector — Economic Development						
Payments pursuant to subsection 14(2) of the <i>Department of Industry Act</i>	—	—	0.3	0.3	0.3	—
Loans pursuant to paragraph 14(1)(a) of the <i>Department of Industry Act</i>	—	—	0.5	0.5	0.5	—
Operations Sector — Economic Development						
Advances to regional offices and employees posted abroad. <i>Appropriation Act No. 1, 1970</i> . Limit \$1,950,000 (net)	—	—	—	—	2.0	—
Total	—	—	0.8	0.8	2.8	—

Table 6: Sources of Responsible and Non-Responsible Revenue**Responsible Revenue**

(\$ millions)*	Actual 2003–04	Actual 2004–05	2005–06			
			Main Estimates	Planned Revenue	Total Authorities	Actual
A Fair, Efficient and Competitive Marketplace						
Operations Sector — Marketplace						
Bankruptcy and Insolvency Administration	29.9	30.9	31.9	31.9	31.9	31.9
Corporations Regulation	7.3	7.5	7.9	7.9	7.9	7.9
Competition Bureau						
Competition Law and Policy	8.8	10.5	10.5	10.5	10.5	10.4
Canadian Intellectual Property Office (CIPO) Revolving Fund	103.2	127.2	144.7	144.7	144.7	137.3
Subtotal	149.2	176.1	195.0	195.0	195.0	187.5
An Innovative Economy						
Communications Research Centre Canada						
Communications Research	7.6	7.9	9.7	9.7	9.7	8.4
Subtotal	7.6	7.9	9.7	9.7	9.7	8.4
Total Responsible Revenue	156.8	184.0	204.6	204.6	204.6	195.9

Non-Responsible Revenue

(\$ millions)*	Actual 2003–04	Actual 2004–05	2005–06			
			Main Estimates	Planned Revenue	Total Authorities	Actual
A Fair, Efficient and Competitive Marketplace						
Operations Sector — Marketplace						
Bankruptcy and Insolvency Supervision	1.0	1.0	—	1.0	—	1.0
Corporations Regulation (including NUANS)	0.7	0.7	—	2.0	—	1.6
Trade Measurement Regulation	1.8	1.9	—	1.9	—	1.6
Prior Year Refunds, Interest and Other	16.9	27.7	—	—	—	26.7
Competition Bureau — Marketplace						
Fines	11.1	8.5	—	—	—	8.1
Consumer Labelling and Advertising Regulation	0.2	0.1	—	0.1	—	0.1
Prior Year Refunds, Interest and Other	—	—	—	—	—	2.2
Spectrum, Information Technologies and Telecommunications Sector — Marketplace**	107.7	385.8	—	371.9	—	205.6
Subtotal	139.4	425.7	—	376.9	—	247.0

* Minor differences are due to rounding.

** Actual revenue does not include that portion of deferred revenue which is being realized in the current year. Planned revenue includes \$171.1 million related to the amortization of licence fee revenue received in previous years.

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(\$ millions)*	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Revenue	Total Authorities	Actual
An Innovative Economy						
Communications Research Centre Canada						
Communications Research	1.2	1.2	—	1.5	—	1.5
Technology Partnerships Canada — Special Operating Agency						
Receipts from Repayable Contributions	28.6	37.3	—	77.6	—	79.9
Prior Year Refunds, Interest and Other	—	—	—	—	—	11.3
Subtotal	29.8	38.5	—	79.1	—	92.8
Competitive Industry and Sustainable Communities						
Spectrum, Information Technologies and Telecommunications Sector — Economic Development	—	—	—	—	—	2.1
Operations Sector — Economic Development						
SBLA/CSBFA Service Fees	18.7	55.7	—	56.8	—	59.3
Receipts from Repayable Contributions	—	—	—	34.9	—	20.3
Return on Investment	13.6	15.2	—	15.0	—	18.2
Prior Year Refunds, Interest and Other	—	—	—	—	—	3.0
Industry Sector — Economic Development						
Receipts from Repayable Contributions	53.0	64.0	—	5.7	—	32.9
Prior Year Refunds, Interest and Other	—	—	—	—	—	9.9
Subtotal	85.3	134.9	—	112.4	—	145.7
Total Non-Respendable Revenue	254.5	599.1	—	568.4	—	485.4
Total Respendable and Non-Respendable Revenue	411.3	783.1	204.6	773.0	204.6	681.4

* Minor differences are due to rounding.

Table 7: Canadian Intellectual Property Office (CIPO) Revolving Funds**Statement of Operations**

(\$ millions)*	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Spending	Total Authorities	Actual
Responsible Revenue	95.7	115.6	126.8	126.8	126.8	124.7
Expenses						
Operating:						
Salaries and employee benefits	62.4	68.7	85.1	85.1	85.1	75.1
Depreciation	15.0	15.7	17.4	17.4	17.4	14.8
Repairs and maintenance	1.1	1.1	1.3	1.3	1.3	1.2
Administrative and support services	13.7	16.0	15.1	15.1	15.1	17.5
Utilities, materials and supplies	8.0	8.6	14.2	14.2	14.2	9.2
Marketing	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Total Expenses	100.2	110.1	133.1	133.1	133.1	117.8
Subtotal Surplus (Deficit)	(4.5)	5.5	(6.3)	(6.3)	(6.3)	6.9
Deferred capital assistance	6.4	6.4	6.4	6.4	6.4	6.4
Surplus (Deficit)	1.9	11.9	0.1	0.1	0.1	13.3

Statement of Cash Flows

(\$ millions)*	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Spending	Total Authorities	Actual
Surplus (Deficit)	1.9	11.9	0.1	0.1	0.1	13.3
Add Non-Cash Items:						
Depreciation/amortization	15.0	15.7	17.4	17.4	17.4	14.8
Deferred capital assistance	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Investing Activities:						
Acquisition of depreciable assets	(2.5)	(2.9)	(8.5)	(8.5)	(8.5)	(7.6)
Changes in short- and long-term assets/liabilities	9.3	13.9	13.0	13.0	13.0	13.5
Cash Surplus (requirement)	17.3	32.2	15.6	15.6	15.6	27.6

Projected Use of Authority

(\$ millions)*	Actual 2003-04	Actual 2004-05	2005-06			
			Main Estimates	Planned Spending	Total Authorities	Actual
Authority	5.0	5.0	5.0	5.0	5.0	5.0
Drawdown:						
Balance as at April 1	57.5	74.8	93.9	93.9	93.9	107.2
TB Vote 5	0.6	0.2	—	—	—	—
Projected surplus (drawdown)	16.7	32.2	15.6	15.6	15.6	27.6
	74.8	107.2	109.5	109.5	109.5	134.8
Projected Balance at March 31	79.8	112.2	114.5	114.5	114.5	139.8

* Minor differences are due to rounding.

Table 8: Resources Requirements by Branch or Sector

Organization (\$ millions)*	2005–06			Total
	A fair, efficient and competitive marketplace	An innovative economy	Competitive industry and sustainable communities	
Policy Sector				
Main Estimates	5.2	11.1	12.4	28.7
Planned Spending	7.1	26.1	12.4	45.6
Total Authorities	8.1	43.0	28.2	79.3
Actual Spending	7.2	42.2	27.2	76.6
Operations Sector				
Main Estimates	115.7	-	442.5	558.3
Planned Spending	115.5	-	518.6	634.1
Total Authorities	118.9	-	390.1	509.0
Actual Spending	110.2	-	377.4	487.6
Industry Sector				
Main Estimates	-	10.6	105.4	115.9
Planned Spending	-	20.1	231.4	251.4
Total Authorities	-	174.0	87.7	261.6
Actual Spending	-	172.5	83.0	255.5
Spectrum, Information Technologies and Telecommunications Sector				
Main Estimates	53.9	2.0	128.4	184.2
Planned Spending	54.1	2.0	128.2	184.2
Total Authorities	76.8	20.8	122.1	219.6
Actual Spending	73.4	20.8	119.6	213.7
Chief Information Office Sector				
Main Estimates	0.6	-	15.5	16.1
Planned Spending	0.6	-	15.5	16.1
Total Authorities	0.6	-	20.2	20.8
Actual Spending	0.6	-	18.9	19.6
Communications Research Centre Canada				
Main Estimates	-	45.8	-	45.8
Planned Spending	-	48.7	-	48.7
Total Authorities	-	58.5	-	58.5
Actual Spending	-	56.5	-	56.5
Technology Partnerships Canada – Special Operating Agency				
Main Estimates	-	354.5	-	354.5
Planned Spending	-	341.0	-	341.0
Total Authorities	-	490.9	-	490.9
Actual Spending	-	473.7	-	473.7
Office of Consumer Affairs				
Main Estimates	5.2	-	-	5.2
Planned Spending	5.2	-	-	5.2
Total Authorities	5.8	-	-	5.8
Actual Spending	5.6	-	-	5.6
Competition Bureau				
Main Estimates	38.6	-	-	38.6
Planned Spending	46.5	-	-	46.5
Total Authorities	60.0	-	-	60.0
Actual Spending	55.7	-	-	55.7
Canadian Intellectual Property Office (CIPO) Revolving Fund				
Main Estimates	(15.6)	-	-	(15.6)
Planned Spending	(15.6)	-	-	(15.6)
Total Authorities	121.8	-	-	121.8
Actual Spending	(27.6)	-	-	(27.6)
Grand Total				
Main Estimates	203.7	423.9	704.2	1,331.8
Planned Spending	213.5	437.8	906.1	1,557.4
Total Authorities	391.9	787.2	648.3	1,827.4
Actual Spending	225.2	765.7	626.2	1,617.0

* Minor differences are due to rounding.

3.3 User Fees / External Fees

● Access to Information and Privacy (ATIP)

Table A: User Fees Act

				2005–06				
A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Access to Information and Privacy (ATIP) fees	Regulatory	<i>Access to Information Act</i> and <i>Privacy Act</i>	1983	—	3	1,394	Framework under development by TBS	Statutory deadlines met 94 percent of the time
Total				—	3	1,394		
Planning Years								
Forecast Revenue (\$000)			Estimated Full Cost (\$000)					
2006–07	2007–08	2008–09	2006–07	2007–08	2008–09			
3	3	3	1,394	1,394	1,394			
B. Other Information								
The <i>Access to Information Act</i> (ATI Act) states that all formal requests submitted must be accompanied by a \$5.00 application fee payable to the Receiver General of Canada. All fees prescribed and received pursuant to the ATI Act are returned to the Consolidated Revenue Fund.								
All fees collected and waived under the ATI Act are detailed in the Department's annual access to information and privacy report to Parliament.								
Figures represent the entire branch allocation (Business Law as a whole plus additional administration funds).								

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i>	Framework under development by TBS. More information available at: lois.justice.gc.ca/en/a-1/8.html	Statutory deadlines met 94 percent of the time	This service standard is established under the <i>Access to Information Act</i> and the <i>Access to Information Regulations</i> . Consultations with stakeholders were undertaken for amendments done in 1986 and 1992.
B. Other Information			
The <i>Access to Information Act</i> permits the waiving of fees when deemed to be in the public interest and if under \$25. The fees collected during the reporting period totalled \$2,987.50. In accordance with government policy, it is the Department's practice to waive fees where the total owing per request amounts to less than \$25. Fees waived during 2005–06 represented \$1,460.00.			
There continues to be a significant increase in the number of times fees are waived due to the ongoing use of an electronic disclosure service. In order to reduce costs and increase efficiency, released documents are provided on CD-ROM, which means no reproduction fees are charged to the applicant.			

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


Canada Small Business Financing Program
Table A: User Fees Act

A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	2005-06				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
CSBFA Loans component (registration and administration fees) Capital leases component (registration and administration fees)	Regulatory	<i>Canada Small Business Financing Act</i> (CSBFA)	Fees were established for the CSBFA in April 1999, and for the Capital Leasing Pilot Project in April 2002	CSBFA: Core loans: 54,200 Capital leasing: 915	CSBFA: Core loans: 56,352 Capital leasing: 1,279	4,120	The following standards were set: Two days or less to register loans/leases Eighteen days or less to process claims	The following results were obtained: Standard of two days or less to register loans/leases met 100 percent of the time. Time required to process a claim in 2005-06 was an average of 13 days. Standard of 18 days or less to process claims met 79 percent of the time.
SBLA Administration fees requests	Regulatory services	<i>Small Business Loans Act</i> (SBLA)	A 1.25-percent administration fee was established in 1995	SBLA: 2,750	SBLA: 2,816	217	The following standard was set: Eighteen days or less to process claims	The following results were obtained: Time required to process a claim in 2005-06 was an average of 13 days. Standard of 18 days or less to process claims met 79 percent of the time.
Total				57,865	60,447	4,337		
Planning Years								
Forecast Revenue (\$000)			Estimated Full Cost (\$000)					
2006-07	2007-08	2008-09	2006-07	2007-08	2008-09			
57,250	57,750	57,550	4,165	4,165	4,165			
B. Other Information								
"Full Cost" figures represent the cost of the CSBF directorate to administer the CSBF and SBLA programs. Full cost does not include expenses with claim payments made to financial institutions as a result of defaulted loans or leases. These expenses are covered in financial tables for Transfer Payment Programs (see p. 66).								

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

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
CSBFA Loans component (registration and administration fees) Capital leases (registration and administration fees)	The following standards were set: Two days or less to register loans/leases Less than 18 days to process claims	The following results were obtained: Standard of two days or less to register loans/leases met 100 percent of the time. Time required to process a claim in 2005–06 was an average of 13 days. Standard of less than 18 days to process claims met 79 percent of the time.	Discussions and a survey of participating lenders indicate satisfaction with present performance results. Annual meetings with key lenders will continue to include discussions on stakeholder satisfaction with service standards and results.
SBLA Administration fees	The following standard was set: Less than 18 days to process claims	The following results were obtained: Time required to process a claim in 2005–06 was an average of 13 days. Standard of less than 18 days to process claims met 79 percent of the time.	Recent discussions and a survey of participating lenders indicate satisfaction with present performance results. Annual meetings with key lenders will continue to include discussions on stakeholder satisfaction with service standards and results.

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

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

Canadian Intellectual Property Office

Table A: User Fees Act

A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	2005–06				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
The majority of CIPO's fees are defined as services that are provided only by a regulating authority.	Regulatory (R) CIPO grants or registers ownership for five types of intellectual property: patents, trademarks, copyright, industrial designs and integrated circuit topographies.	<i>Financial Administration Act</i> <i>Patent Act</i> <i>Trademarks Act</i> <i>Copyright Act</i> <i>Industrial Design Act</i> <i>Integrated Circuit Topography Act</i> <i>Department of Industry Act</i>	January 1, 2004	Patents: 96,946	Patents: 95,567	111,428	80 percent of applications with a request for examination processed in less than 30 months	82 percent of applications with a request for examination processed in less than 30 months
				Trademarks: 26,229	Trademarks: 25,704		Processed within four months of filing date	Processed within 5.6 months of filing date
				Industrial Design: 2,198	Industrial Design: 2,127		Processed within 14 months of receipt of application	Processed within 12.6 months from receipt of application
				Information: 837	Information: 710		Over-the-counter copies within one working day Certified copies within two to five working days	Requests are processed within standards 94 percent of the time.
Total				126,210	124,108	111,428		

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Planning Years					
Forecast Revenue (\$000)			Estimated Full Cost (\$000)		
2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
136,381	140,807	146,747	131,672	140,206	145,744

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

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
CIPO grants or registers ownership for five types of intellectual property: patents, trademarks, copyright, industrial designs and integrated circuit topographies.	<p>Patents: 80 percent of applications with a request for examination processed in less than 30 months</p> <p>Trademarks: Processed within four months of filing date</p> <p>Copyrights: Processed within 15 calendar days from receipt of application</p> <p>Industrial designs: Processed within 14 months of receipt of application</p> <p>Information: Over-the-counter copies within one working day Certified copies within two to five working days</p>	<p>Patents: 82 percent of applications with a request for examination processed in less than 30 months</p> <p>Trademarks: Processed within 5.6 months of filing date</p> <p>Copyrights: Processed within four calendar days from receipt of application</p> <p>Industrial designs: Processed within 12.6 months from receipt of application</p> <p>Information: Requests are processed within standards 94 percent of the time</p>	Extensive formal consultations were undertaken in 2002 with the broad intellectual property constituency through letters, the Internet and information sessions. There was strong endorsement of the need to increase existing fees to support service delivery improvements and to introduce new services, such as international searches and international preliminary examinations.
B. Other Information			
Turnaround times for examining trademark applications did not meet expectations, due to loss of examination staff and a consequent increase in inventory. Recruitment of new examiners will redress the situation.			

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

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


Competition Bureau
Table A: User Fees Act

2005–06								
A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Combined merger notification and Advance Ruling Certificate requests	Regulatory	<i>Department of Industry Act, Competition Bureau Fee and Service Standards Policy</i>	April 1, 2003	3,024	2,950	16,312	Non-complex: 14 days Complex: 10 weeks Very complex: 5 months	94.9 percent 94.4 percent 85.7 percent
Advance Ruling Certificate requests	Other products and services	<i>Department of Industry Act, Competition Bureau Fee and Service Standards Policy</i>	April 1, 2003	8,064	9,650	858	Non-complex: 14 days Complex: 10 weeks Very complex: 5 months	94.9 percent 94.4 percent 85.7 percent
Written opinions: the Commissioner may provide binding opinions on proposed business conduct.	Other products and services	<i>Department of Industry Act, Competition Bureau Fee and Service Standards Policy</i>	April 1, 2003	112	37	421	Performance standards vary, ranging from 2 weeks to 10 weeks for different sections of the <i>Competition Act</i> .	72.2 percent
CA number: Provide a CA number for fabric tags.	Other products and services	<i>Department of Industry Act</i>	November 1997	145	144	397	There are no performance standards for this service.	76 percent of requests are answered instantly. However, the Bureau is in the process of reviewing the CA number fees, service standards and costs.
Total				11,345	12,781	17,987		
Planning Years								
Forecast Revenue (\$000)			Estimated Full Cost (\$000)					
2006–07	2007–08	2008–09	2006–07	2007–08	2008–09			
11,000	11,000	11,000	18,326	18,788	19,096			

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

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
Combined merger notification and Advance Ruling Certificate requests	Non-complex: 14 days Complex: 10 weeks Very complex: 5 months	94.9 percent 94.4 percent 95.7 percent	There were no public consultations on these service standards during 2005–06.
Advance Ruling Certificates			
Written opinions: The Commissioner may provide binding written opinions on proposed business conduct.	Performance standards vary, ranging from 2 weeks to 10 weeks for different sections of the <i>Competition Act</i> .	72.2 percent	There were no public consultations on these service standards during 2005–06.
Written opinions: The Commissioner may provide binding written opinions on proposed business conduct.	There are no performance standards for this service.	N/A	76 percent of requests are answered instantaneously online. However, the Bureau is in the process of reviewing the CA number fees, service standards and costs.
Fees charged for the processing of CA number requests	To be developed in consultation with stakeholders		Consultations are planned for 2007–08.
B. Other Information			
CA number: during fiscal year 2007–08, the Competition Bureau will review CA number fees and service standards.			

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

 **Corporations Canada**

Table A: User Fees Act

A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	2005–06				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Corporations Canada has several product offerings, including file articles of incorporation, letters patent, file articles of continuance, file statements of revocation of intent to dissolve, file annual returns, and name searches and approvals.	Regulatory	<i>Canada Business Corporations Act</i> (CBCA), <i>Canada Corporations Act</i> (CCA), <i>Canada Cooperatives Act</i>	No activity in 2005–06. Most recent consultations were undertaken in 2000–01, when Corporations Canada introduced a reduction in the incorporation fee and annual return fee.	Incorporations under the CBCA: 3,900	Incorporations under the CBCA: 4,361	12,168	Internet: CBCA incorporation applications received by 1:00 p.m. EST via e-commerce are processed by 5:00 p.m. EST. Visitors: Clients who come to headquarters between 8:30 a.m. and 2:30 p.m. will receive one-hour, over-the-counter service. Batches: Batches of five or more articles are processed within the same day if received before 8:00 a.m.	90 percent of CBCA incorporations received via e-commerce issued within standard 100 percent of requests (CBCA incorporations and restated articles) issued within standard 100 percent of requests issued within standard

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2005-06								
A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
				Incorporations under the CCA Part II: 190	Incorporations under the CCA Part II: 195		CCA Part II incorporation applications are processed within 20 business days.	94 percent of CCA Part II incorporations received by mail are issued within standard.
				Annual returns under CBCA: 3,275	Annual returns under CBCA: 3,442		CBCA annual returns are processed and available on the Corporations Canada Web site within five business days.	96 percent of annual returns received by mail are available on the Corporations Canada Web site within standard.
				Annual summaries under CCA: 400	Annual summaries under CCA: 361		CCA-II annual summaries are processed and available on the Corporations Canada Web site within 20 business days.	98 percent of annual summaries received by mail are available on the Corporations Canada Web site within standard.
				Amendments under CBCA: 1,010	Amendments under CBCA: 1,131		Amendments under the CBCA incorporation applications received by 1:00 p.m. EST via e-commerce are processed by 5:00 p.m. EST.	90 percent of amendments under the CBCA incorporation received via e-commerce issued within standard.
				Other services such as revival, certificate, copies 835	Other services such as revival, certificate, copies 1,118		Service standards are available on the Corporations Canada Web site at corporationscanada.ic.gc.ca/epic/internet/incd-gc.nsf/en/cs01054e.html .	
Total				9,610	10,608	12,168		
Planning Years								
Forecast Revenue (\$000)			Estimated Full Cost (\$000)					
2006-07	2007-08	2008-09	2006-07	2007-08	2008-09			
10,500	10,500	10,500	13,294	12,985	12,522			

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

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
Corporations Canada has several product offerings, including file articles of incorporation, letters patent, file articles of continuance, file statements of revocation of intent to dissolve, file annual returns, and name searches.	<u>Incorporations under the CBCA:</u> Internet: <ul style="list-style-type: none"> CBCA incorporation applications received by 1:00 p.m. EST via e-commerce are processed by 5:00 p.m. EST. Visitors: <ul style="list-style-type: none"> Clients who come to headquarters between 8:30 a.m. and 2:30 p.m. will receive one-hour, over-the-counter service. Batches: <ul style="list-style-type: none"> Batches of five or more articles are processed within the same day if received before 8:00 a.m. 	90 percent of CBCA incorporation received via e-commerce issued within standard. 100 percent of requests (CBCA incorporation and restated articles) issued within standard. 100 percent of requests (CBCA incorporation and restated articles) issued within standard.	There were no public consultations on these service standards during 2005–06.
	<u>Incorporations under the CCA Part II:</u> CCA Part II incorporation applications are processed within 20 business days.	94 percent of CCA Part II incorporation received by mail are issued within standard.	
	<u>Annual returns under CBCA:</u> CBCA annual returns are processed and available on the Corporations Canada Web site within five business days.	96 percent of annual returns received by mail are available on the Corporations Canada Web site within standard.	
	<u>Annual summaries under CCA:</u> CCA-II annual summaries are processed and available on the Corporations Canada Web site within 20 business days.	98 percent of annual summaries received by mail are available on the Corporations Canada Web site within standard.	
	Other services such as revival, certificate, copies.	Service standards are available on the Corporations Canada Web site at corporationscanada.ic.gc.ca/epic/internet/incd-dgc.nsf/en/cs01054e.html .	

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

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



Table A: User Fees Act

A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	2005-06				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Device approval and measurement standard certification	Regulatory	<i>Weights and Measures Act</i>	Last amended in 1993, following extensive stakeholder consultation and publication in the <i>Canada Gazette</i> .	15	219	851	Measurement standard is calibrated and Certificate of Calibration issued within 60 calendar days of receipt of the standard. Device is evaluated and Notice of Approval issued within 90 calendar days of receipt of the instrument and all appropriate documentation, if the instrument is found to be in compliance with the requirements.	Performance standard was met, on average, 100 percent of the time. Performance standard was met, on average, 79 percent of the time.
Device inspection	Regulatory	<i>Weights and Measures Act</i>	Last amended in 1993, following extensive stakeholder consultation and publication in the <i>Canada Gazette</i> .	1,165	852	3,309	Inspection is performed within 10 calendar days of receipt of request.	Services standard performance target met 80 percent of the time.
Meter approval and measuring apparatus certification	Regulatory	<i>Electricity and Gas Inspection Act</i>	Last amended in 1995, following extensive stakeholder consultation and publication in the <i>Canada Gazette</i> .	230	196	761	Measurement standard is calibrated and Certificate of Calibration issued within 60 calendar days of receipt of the standard. Device is evaluated and Notice of Approval issued within 90 calendar days of receipt of the instrument and all appropriate documentation, if the instrument is found to be in compliance with the requirements.	Performance target was met, on average, 100 percent of the time. Performance target was met, on average, 80 percent of the time.

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				2005-06				
A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Meter inspection	Regulatory	<i>Electricity and Gas Inspection Act</i>	Last amended in 1995, following extensive stakeholder consultation and publication in the <i>Canada Gazette</i> .	400	193	750	Inspection is performed within 10 calendar days of receipt of request.	Performance target met 80 percent of the time.
Electricity and gas accreditation (initial and renewal)	Regulatory	<i>Electricity and Gas Inspection Act</i>	Last amended in 1995, following extensive stakeholder consultation and publication in the <i>Canada Gazette</i> .	45	54	209	Accreditation is granted within one month of an audit that demonstrates that the application has met all applicable requirements.	Performance target met 100 percent of the time.
Total				1,855	1,514	5,881		
Planning Years								
Forecast Revenue (\$000)				Estimated Full Cost (\$000)				
2006-07	2007-08	2008-09		2006-07	2007-08	2008-09		
Device approval and measurement standard certification								
220	220	220		854	854	854		
Device inspection								
850	850	850		3,303	3,303	3,303		
Meter approval and measuring apparatus certification								
200	200	200		777	777	777		
Meter inspection								
200	200	200		777	777	777		
Electricity and gas accreditation (initial and renewal)								
50	50	50		195	195	195		
Total: 1,520	Total: 1,520	Total: 1,520		Total: 5,907	Total: 5,907	Total: 5,907		Total: 5,907

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

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
Device approval and measurement standard certification	<p>Measurement standard certification is issued within 60 calendar days of receipt of the standard.</p> <p>Notice of Approval is issued within 90 calendar days of receipt of the instrument and all appropriate documentation, if the instrument is found to be in compliance with the requirements.</p>	<p>60-day calibration and certification standard met 100 percent of the time.</p> <p>90-day device evaluation and approval performance standard met 79 percent of the time.</p>	<p>Service standards and performance targets were developed in consultation with stakeholders in 2000. Clients are provided with the opportunity to express their views through an online service feedback form and during stakeholder meetings. Feedback is analyzed for trends, and changes in processes are instituted to improve service performance.</p> <p>Re-engineering of administrative processes resulted in improvements in performance results for measurement standard certification service. Complexity of calibration and certification processes leaves minimal opportunity for additional improvements.</p>
Device inspection	Inspection is performed within 10 calendar days of receipt of request.	Ten-day device inspection performance target met 80 percent of the time.	Service standards and performance targets were developed in consultation with stakeholders in 2000. Stakeholders are provided with the opportunity to express their views through an online service feedback form and during stakeholder meetings. Feedback is analyzed for trends, and changes in processes are instituted to improve service performance.
Meter approval and measuring apparatus certification	<p>Measurement standard certification is issued within 60 calendar days of receipt of the standard.</p> <p>Notice of Approval is issued within 90 calendar days of receipt of the instrument and all appropriate documentation, if the instrument is found to be in compliance with the requirements.</p>	<p>60-day calibration and certification standard met 100 percent of the time.</p> <p>90-day device evaluation and approval performance standard met 80 percent of the time.</p>	<p>Service standards and performance targets were developed in consultation with stakeholders in 2000. Clients are provided with the opportunity to express their views through an online service feedback form and during stakeholder meetings. Feedback is analyzed for trends and changes in processes instituted to improve service performance.</p> <p>Re-engineering of administrative processes resulted in improvements in performance results for measurement standard certification service. Complexity of calibration and certification processes leaves minimal opportunity for additional improvements.</p>
Meter inspection	Inspection is performed within 10 calendar days of receipt of request.	10-day device inspection performance target met 80 percent of the time.	Service standards and performance targets were developed in consultation with stakeholders in 2000. Stakeholders are provided with the opportunity to express their views through an online service feedback form and during stakeholder meetings. Feedback is analyzed for trends, and changes in processes instituted to improve service performance.
Electricity and gas accreditation (initial and renewal)	Accreditation is granted within one month of an audit demonstrating that the application has met all applicable requirements.	One-month processing standard met 100 percent of the time.	Consultation in 2004–05 indicated that clients were generally satisfied with program delivery. Opportunities identified for improvement were used to improve performance.

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

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


Office of the Superintendent of Bankruptcy
Table A: User Fees Act

A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	2005-06				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Registration Fee	Regulatory (R)	<i>Bankruptcy and Insolvency Act (BIA) and Rules</i>	2001	9,808	9,592	12,816	Registration of new estates: two days.	99.9 percent of estates registered within standard.
Superintendent Levy	Regulatory (R)	<i>Bankruptcy and Insolvency Act (BIA) and Rules</i>	2001	22,838	22,531	30,104	Letters of comment: issued within 21 business days of receipt of the Statement of Affairs.	90.2 percent of letters issued within standard.
Name Search Fee	Regulatory (R)	<i>Bankruptcy and Insolvency Act (BIA) and Rules</i>	2001	2,450	2,570	3,434	Faxes answered within 24 hours.	99.9 percent of faxes responded to within standard.
Trustee Licence Fee	Regulatory (R)	<i>Bankruptcy and Insolvency Act (BIA) and Rules</i>	2001	970	999	1,335	No standard. Annual fee is paid by a trustee in order to retain his/her licence. The licence is annulled if the fee is not paid.	N/A
Total				36,066	35,692	47,688		
Planning Years								
Forecast Revenue (\$000)			Estimated Full Cost (\$000)					
2006-07	2007-08	2008-09	2006-07	2007-08	2008-09			
Registration Fee								
9,506	9,597	9,873	13,203	13,203	13,203			
Superintendent Levy								
22,211	22,566	23,167	31,014	31,014	31,014			
Name Search Fee								
2,450	2,450	2,450	3,538	3,538	3,538			
Trustee Licence Fee								
970	970	970	1,375	1,375	1,375			
Total: 35,137	Total: 35,583	Total: 36,460	Total: 49,130	Total: 49,130	Total: 49,130	Total: 49,130		

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

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
Registration Fee	Registration of new estates: two days.	99.9 percent of estates registered within standard.	For all aforementioned fees (all modified in 2001), the OSB published two discussion papers in its <i>Insolvency Bulletin</i> and on the OSB Web site in January 1999 and November 1999. The papers explained the need for the fee changes, presented stakeholders with several options, and asked that they provide their input and comments. Written submissions and briefs were analyzed and presented to the Superintendent and the OSB Management Advisory Board.
Superintendent Levy	Letters of comment: issuance within 21 business days of receipt of the Statement of Receipts and Disbursements.	90.2 percent of letters issued within standard.	
Name Search Fee	Name search: faxes answered within 24 hours.	99.9 percent of faxes responded to within standard.	
Trustee Licence Fee	Licensing fee: no standard. Annual fee paid by a trustee to retain his/her licence. The licence is annulled if the fee is not paid.	N/A	

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

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

Spectrum Management

Table A: User Fees Act

A. User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	2005-06				
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard*	Performance Results*
Radio Licences 1. Land Mobile Service: a) Pre-determined (fixed parameters) b) Non-pre-determined (requiring frequency assignment and Electromagnetic Compatibility Study) 2. Fixed Service 3. Space Service	Regulatory (R)	<i>Financial Administration Act</i> <i>Radiocommunication Act</i> <i>Department of Industry Act</i>	Radio licence fees: 2000	210,360 As per Annual Reference Level Update (ARLU)	210,360 (This amount reflects the total for all radio/spectrum licence revenues. The current system does not permit a breakdown by user fees.)	102,430 (This amount does not include the Radio and Terminal equipment cost identified below.)	1a) Processing time of three weeks (15 working days) per transaction. 1b) Processing time of seven weeks (35 working days) per transaction. 2. Processing time of four weeks (20 working days) per transaction. 3. Processing time of nine weeks (45 working days) per transaction.	1a) Three-week processing standard met 96.4 percent of the time. 1b) Seven-week processing standard met 96.0 percent of the time. 2. Four-week processing standard met 92 percent of the time. 3. Nine-week processing standard met 96.2 percent of the time.
Radio and Terminal Equipment Approval	Regulatory (R)	<i>Financial Administration Act</i>	January 21, 1998	2,500	1,834	2,793	Three to five weeks	12 calendar days on average; 35 days maximum; standard met 85 percent of the time.
Total				212,860	212,194	105,223		

Continued on next page

Continued from previous page

Planning Years					
Forecast Revenue (\$000)			Estimated Full Cost (\$000)		
2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Radio Licences					
205,000	205,000	205,000	93,072	93,072	93,072
Radio and Terminal Equipment Approval					
1.8	980	935	2,793	1,465	1,488
Total: 205,002	Total: 205,980	Total: 205,935	Total: 95,865	Total: 94,537	Total: 94,560

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

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

Table B: Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result*	Stakeholder Consultation
Radio Licences:			Client satisfaction surveys were conducted in spring 2005. Results indicate that clients are mostly satisfied or very satisfied with the service levels.
1. Land Mobile Service	1a) Processing time of three weeks (15 working days) per transaction.	1a) Three-week processing standard met 96.4 percent of the time.	
a) Pre-determined (fixed parameters)			
b) Non-pre-determined (requiring frequency assignment and Electromagnetic Compatibility Study)	1b) Processing time of seven weeks (35 working days) per transaction.	1b) Seven-week processing standard met 96.0 percent of the time.	
2. Fixed Service	2. Processing time of four weeks (20 working days) per transaction.	2. Four-week processing standard met 92 percent of the time.	
3. Space Service	3. Processing time of nine weeks (45 working days) per transaction.	3. Nine-week processing standard met 96.2 percent of the time.	
Radio and Terminal Equipment Approval	Three to five weeks	12 calendar days on average; 35 days maximum standard met 85 percent of the time.	No consultation took place in 2005-06.
B. Other Information			
Review of the fees is in progress. An official consultation took place on the proposed new fee structure from March 5 to May 20, 2004, as per <i>Canada Gazette</i> notice No. SMSE-006-04 which is available at strategis.ic.gc.ca/epic/internet/insmt-gst.nsf/en/sf06291e.html . Two of the fees proposed are subject the <i>User Fees Act</i> . A proposal for the tabling of these fees in Parliament as per the <i>User Fees Act</i> is currently being reviewed.			

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

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

3.4 Major Regulatory Objectives

Regulations	Expected Results	Performance Measurement Criteria	Results Achieved
Amendments to the regulation specifying investigative bodies, pursuant to the <i>Personal Information Protection and Electronic Documents Act</i> (PIPEDA)	The amendment provides for the addition of new investigative bodies to those already specified in the regulation. The regulation allows the specified bodies to use and disclose personal information without an individual's consent, for purposes related to the investigation of breaches of agreement or contraventions of the law.	Cabinet approval of the amendments to the regulation specifying investigative bodies.	Cabinet approved pre-publication of the amendments to the regulation specifying investigative bodies.
Health Information Custodians in the Province of Ontario Exemption Order	Based on a finding that the provisions of Ontario's <i>Personal Health Information Protection Act</i> (PHIPA) are substantially similar to the PIPEDA, the order exempts health information custodians subject to Ontario's PHIPA from the federal act for all collections, uses and disclosures of personal information in the course of commercial activity, within the province.	Approval of the order by Cabinet	Cabinet approved the order.
A series of amendments to the <i>Telecommunications Act</i> were tabled in the House of Commons in December 2004, to provide authority to establish a national Do Not Call list.	A finalized legislative framework for the establishment of a national Do Not Call list to be implemented and administered by the CRTC to protect consumers against unsolicited telemarketing in Canada.	The bill becomes law.	Bill C-37, An Act to amend the <i>Telecommunications Act</i> , was assented to on November 25, 2005, and became law on June 30, 2006. The CRTC is in the process of establishing the national Do Not Call list and associated telemarketing rules to address unsolicited telephone calls.

3.5 Details on Project Spending

(\$ millions)	Current Estimated Total Cost	Actual 2003–04	Actual 2004–05	2005–06			
				Main Estimates	Planned Spending	Total Authorities	Actual
A Fair, Efficient and Competitive Marketplace							
Government On-Line E-Filing Initiative for the Office of the Superintendent of Bankruptcy Canada Project Implementation — Phase 3	8.2*	2.2	1.8	0.6	0.6	0.6	0.4
An Innovative Economy							
Communications Research Centre Canada Laboratory for Photonic Components and Systems Research, construction phase beginning March 2005	7.78	0.27	0.67	2.49	3.26	3.26	3.17
Total	15.98	2.47	2.47	3.09	3.86	3.86	3.57

* Represents the Total Actual Project Cost; project completed on March 31, 2006.

3.6 Details on Transfer Payments Programs

The following is a list by strategic outcome of Industry Canada's Transfer Payment Programs with transfers in excess of \$5 million. Supplementary information on Transfer Payment Programs can be found at www.tbs-sct.gc.ca/est-pre/estime.asp.

A Fair, Efficient and Competitive Marketplace

- International Telecommunication Union, Switzerland

An Innovative Economy

- The Medical and Related Sciences (MaRS) Discovery District
- Commercializing Federally Sponsored Research in Universities and Research Hospitals
- Technology Partnerships Canada — Research and Development Program
- Technology Partnerships Canada — Program for Strategic Industrial Projects
- Technology Partnerships Canada — h2 Early Adopters Program

Competitive Industry and Sustainable Communities

- Aboriginal Business Canada
- Broadband for Rural and Northern Development Pilot Program
- Canada-Ontario Infrastructure Program
- Canada Small Business Financing Program
- Canadian Apparel and Textile Industries Program
- Community Access Program
- FedNor — Northern Ontario Development Program
- FedNor — Community Futures Program
- FedNor — Eastern Ontario Development Fund
- Information Highway Applications Branch — Youth Employment Strategy
- SchoolNet
- Social Economy — Financing
- Softwood Industry Community Economic Adjustment Initiative
- Structured Financing Facility

3.7 Foundations / Conditional Grants

Industry Canada is responsible for administering funding agreements with the following foundations. Further information on these foundations can be found at www.tbs-sct.gc.ca/est-pre/estime.asp.

An Innovative Economy

- The Canadian Institute for Advanced Research
- Pierre Elliott Trudeau Foundation
- Canada Foundation for Innovation
- Council of Canadian Academies (formerly the Canadian Academies of Science)
- Genome Canada
- Canadian Centre for Creative Technology (Shad International)
- Precarn Incorporated — Phase 4
- CANARIE — CA*net 4

Competitive Industry and Sustainable Communities

- Canadian Youth Business Foundation

3.8 Alternative Service Delivery Initiatives

The following Alternative Service Delivery (ASD) initiatives are used to deliver programs or services that contribute significantly to the achievement of Industry Canada's mandate. Only significant new ASD initiatives and existing ASD initiatives whose renewal is planned over the next three fiscal years are included. Further information on these initiatives can be found at www.tbs-sct.gc.ca/asd-dmps.

- Improving Efficiency of Spectrum Online Services
- Self Marking of Terminal Equipment
- Registration

3.9 Horizontal Initiatives

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

Industry Canada is the lead for the following significant horizontal initiatives. More detailed information can be found on the Treasury Board of Canada Secretariat Horizontal Results Database Web site at www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh_e.asp.

- Canadian Biotechnology Strategy
- Canada Business Network
- SchoolNet

3.10 Financial Statements of the Canadian Intellectual Property Office Revolving Fund



KPMG LLP
Chartered Accountants
Suite 2000
160 Elgin Street
Ottawa, ON K2P 2P8
Canada

Telephone (613) 212-KPMG (5764)
Fax (613) 212-2896
Internet www.kpmg.ca

AUDITORS' REPORT TO THE DEPUTY MINISTER, INDUSTRY CANADA

We have audited the statement of financial position of the Canadian Intellectual Property Office Revolving Fund as at March 31, 2006 and the statements of operations and net assets, accumulated surplus and cash flow for the year then ended. These financial statements have been prepared to comply with Section 4 of the Treasury Board of Canada's Policy on Special Revenue Spending Authorities and the Revolving Funds Act. These financial statements are the responsibility of the management of the Canadian Intellectual Property Office Revolving Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Intellectual Property Office Revolving Fund as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with the accounting principles for revolving funds of the Government of Canada as described in Note 2 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the management of the Revolving Fund and the Treasury Board of Canada Secretariat for reporting on the use of the Fund authority. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

KPMG LLP

Chartered Accountants

Ottawa, Canada

May 29, 2006

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

Canadian Intellectual Property Office Revolving Fund

Management report

We have prepared the accompanying financial statements of the Canadian Intellectual Property Office Revolving Fund (the "Fund") as required by and in accordance with the policy of Treasury Board on revolving funds and the reporting requirements and standards of the Receiver General for Canada. These financial statements were prepared by the management of the Fund in accordance with the significant accounting policies set out in Note 2 of the statements, on a basis consistent with that of the preceding year.

Responsibility for the integrity and objectivity of these financial statements rests with the management of the Fund. The information included in these financial statements is based on management's best estimates and judgement with due consideration given to materiality. To fulfil its accounting and reporting responsibilities, the Fund maintains a set of accounts, which provides a centralized record of the Fund's financial transactions. Financial information contained in the ministerial statements and elsewhere in the Public Accounts of Canada is consistent with that in these financial statements, unless indicated otherwise.

The Fund's directorate of financial services develops and disseminates financial management and accounting policies and issues specific directives, which maintain standards of accounting and financial management. The Fund maintains systems of financial management and internal control which gives due consideration to costs, benefits and risks. They are designed to provide reasonable assurance that transactions are properly authorized by Parliament, are executed in accordance with prescribed regulations, and are properly recorded to maintain accountability of Government funds and safeguard the assets under the Fund's administration. The Fund also seeks to assure the objectivity and integrity of data in its financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility and by communication programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

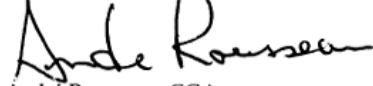
At the request of the Fund, these financial statements have been examined by external auditors, their role being to express an opinion as to whether the financial statements present fairly the financial position as at March 31, 2006 and the results of operations and cash flow for the year then ended in accordance with the accounting principles for revolving funds of the Government of Canada as described in Note 2 to the financial statements.

Approved by:



David Tobin

Chief Executive Officer



André Rousseau CGA

Manager, Finance and Administration

June 6, 2006

date

Canadian Intellectual Property Office Revolving Fund

Statement of Authority Provided (Used) (Unaudited) for the Year Ended March 31

(in thousands of dollars)	2006		2005	
	Estimates	Actual	Estimates	Actual
Net results	\$ 80	\$ 13,294	\$ 5,697	\$ 11,918
Add: items not requiring the use of funds	11,003	7,843	15,299	9,807
Operating source (use) of funds	11,083	21,137	20,996	21,725
Less: items requiring use of funds				
Net capital acquisitions	8,500	7,571	3,605	2,864
Net other assets and liabilities	(13,039)	(14,032)	(4,506)	(13,323)
Other items	—	—	—	—
Authority provided (used)	\$ 15,622	\$ 27,598	\$ 21,897	\$ 32,184

Reconciliation of Unused Authority (Unaudited) as at March 31

(in thousands of dollars)	2006	2005
Credit (debit) balance in the accumulated net charge against the Fund's authority	\$ (131,695)	\$ (101,480)
Transfer from Treasury Board Vote 5	—	(219)
	\$ (131,695)	\$ (101,699)
Add: PAYE charges against the appropriation account after March 31	4,306	2,564
Less: amounts credited to the appropriation account after March 31	1,393	1,500
Other items	6,018	16,136
Net authority provided, end of year	(134,800)	(116,771)
Authority limit	5,000	5,000
Unused authority carry forward	\$ 139,800	\$ 121,771

Canadian Intellectual Property Office Revolving Fund

Statement of Financial Position as at March 31

(in thousands of dollars)	2006	2005
Assets		
Current		
Petty cash	2	2
Accounts receivable		
Government of Canada	1,742	1,543
Outside parties	1,395	1,504
Unbilled revenues	6,071	7,508
Prepaid expenses	222	84
	9,432	10,641
Capital assets (Note 3)	26,368	33,574
Unbilled revenues	2,172	1,180
	\$ 37,972	\$ 45,395
Liabilities		
Current		
Deposit accounts	1,889	1,511
Accounts payable		
Government of Canada	2,797	864
Outside parties	6,692	6,537
Deferred revenues	29,498	23,354
	40,876	32,266
Employee termination benefits and vacation pay	7,035	6,198
Deferred revenues	44,370	37,934
	51,405	44,132
Deferred capital assistance (Note 4)	7,980	14,365
Commitments (Note 6)		
Contingencies (Note 10)		
Net Assets / Liabilities (note 5)	(62,289)	(45,368)
	\$ 37,972	\$ 45,395

Canadian Intellectual Property Office Revolving Fund

Statements of Operations and Net Assets (Liabilities) for the year ended March 31

(in thousands of dollars)	2006	2005
Revenues	\$ 124,722	\$ 115,603
Expenses		
Salaries and employee benefits	75,058	68,630
Professional services	15,149	13,824
Amortization of capital assets	14,777	15,721
Accommodation	6,952	6,100
Materials and supplies	1,780	1,970
Information	260	206
Communications	824	680
Travel	603	427
Freight and postage	309	279
Repairs and maintenance	1,234	1,143
Training	662	367
Rentals	205	215
Bad debt expense	—	37
Loss on disposal of capital assets	—	471
	<u>117,813</u>	<u>110,070</u>
Net results before amortization of deferred capital assistance	<u>6,909</u>	<u>5,533</u>
Amortization of deferred capital assistance	<u>6,385</u>	<u>6,385</u>
Net results	13,294	11,918
Net assets (liabilities), beginning of year	(45,368)	(11,918)
Net financial resources used (provided) and change in the ANCAFA account during the year	(30,215)	(29,500)
Net assets (liabilities), end of year	\$ (62,289)	\$ (45,368)

Canadian Intellectual Property Office Revolving Fund

Statement of Cash Flow for the year ended March 31

(in thousands of dollars)	2006	2005
Operating activities		
Net results	\$ 13,294	\$ 11,918
Add: Amortization of capital assets	14,777	15,721
Add: Loss on disposal of capital assets	—	471
Less: Amortization of deferred capital assistance	6,385	6,385
	21,686	21,725
Changes in working capital (Note 7)	9,819	4,029
Changes in other assets and liabilities		
Unbilled revenues	(992)	(744)
Employee termination benefits and vacation pay	837	1,082
Deferred revenues	6,436	6,272
	6,281	6,610
Net financial resources provided by operating activities	37,786	32,364
Investing activities		
Capital assets acquired	(7,571)	(2,864)
Net financial resources provided and change in the accumulated net charge against the Fund's authority account, during the year	30,215	29,500
Accumulated net charge against the Fund's authority account, beginning of the year	101,480	71,980
Accumulated net charge against the Fund's authority account, end of year (Note 5)	\$ 131,695	\$ 101,480

Notes to Financial Statements

1. Purpose and authority

The Canadian Intellectual Property Office Revolving Fund (the "Fund") grants or registers exclusive ownership of intellectual property in Canada. In exchange, the Fund acquires intellectual property information and state-of-the-art technology which it disseminates to Canadian firms, industries and individuals to improve economic performance, competitiveness and to stimulate further invention and innovation.

The Fund was established on April 1, 1994. The authority to make expenditures out of the Consolidated Revenue Fund, was granted on February 22, 1994 and has an authorized limit of \$15 million. During the fiscal year ended March 31 2002, the Fund's authorized limit was reduced from \$15 million to \$5 million. The Fund has continuing non-lapsing authority from Parliament to make payments out of the Consolidated Revenue Fund for working capital, capital acquisitions and temporary financing of accumulated operating deficits. The Fund may retain surpluses to continue to automate operations.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the reporting requirements for revolving funds described by the Receiver General for Canada. The basis of accounting used in these financial statements differs from Canadian generally accepted accounting principles because: services received without charge from other government departments are not reported as expenses; the expenses and liability for termination benefits excludes

the portion not funded by the Fund; and contingent liabilities are disclosed rather than recorded. The significant accounting policies are as follows:

Revenue recognition

Revenue derived from processing patent, trade-mark and industrial design applications is recognized using the percentage of completion method as work progresses. Fees received in advance of work being completed are recorded as deferred revenues. When work is completed prior to the receipt of the fee, the amount is recorded as unbilled revenue. Maintenance fees and other revenue are recognized upon receipt. Fees are prescribed by various Orders in Council.

Capital assets and amortization

Capital assets are recorded at cost. Capital assets are amortized on a straight-line basis over their estimated useful lives, beginning in the month after acquisition, as follows:

Software	3 years
Hardware	3–5 years
Furniture	10 years
Equipment	10 years
Leasehold Improvements	5 years
Systems	Estimated useful life, beginning in the year of deployment

Deferred capital assistance

The Fund received \$63,848,000 from the Crown for the development of the Techsource automation project, which was implemented in 1997–1998. The deferred capital assistance is amortized on a straight-line basis over the estimated useful life of the Techsource system.

Employee termination benefits

Employees of the Fund are entitled to specified termination benefits, calculated based on salary levels in effect at the time of termination as provided for under collective agreements and conditions of employment. Employee termination benefits earned prior to an employee joining the Revolving Fund are a liability of the Treasury Board and accordingly have not been recorded in the accounts. As at March 31, 2006, the Treasury Board liability for the Fund's employees is \$4.8 million (2005 - \$5.0 million). The liability for benefits earned after an employee joins the Revolving Fund is recorded in the accounts as the benefits accrue to employees.

The Treasury Board will only fund this portion of the past services up to and including the fifteenth year of the revolving fund's operation; in 2009–2010, the long-term liability account for termination benefits will be adjusted accordingly with an offset against the revolving fund's accumulated deficit/surplus account.

Pension plan

Employees of the Fund are covered by the Public Service Superannuation Plan administered by the Government of Canada. Under present legislation, contributions made by the Fund to the Plan are limited to an amount equal to the employee's contributions on account of current service. These contributions represent the total pension obligations of the Fund and are charged to operations on a current basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account and/or with respect to charges to the Consolidated Revenue Fund for the indexation of payments under the *Supplementary Retirement Benefits Act*.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Capital assets, revenues and human resource related accrued liabilities are the most significant items for which estimates are used. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

3. Capital assets and accumulated amortization

(in thousands of dollars)

	Cost March 31, 2005	Additions	Disposals	Cost March 31, 2006	Accumulated amortization	Net Carrying value
Leasehold improvements	17,426	3,178		20,604	14,925	5,679
Software	6,653	1,253		7,906	4,704	3,202
Hardware	2,484	118		2,602	2,026	576
Equipment	—	—		—		—
Furniture	—	—		—		—
Systems						
Intrepid	3,735	—		3,735	3,735	—
TechSource	85,536	—		85,536	75,601	9,934
Other	9,693	1,471		11,164	9,231	1,933
Systems under development	3,493	1,551		5,044		5,044
Total	129,019	7,571	—	136,590	110,222	26,368

4. Deferred capital assistance

(in thousands of dollars)	2006	2005
Deferred capital assistance contribution	\$ 63,848	\$ 63,848
Less: accumulated amortization	55,868	49,483
Net book value	\$ 7,980	\$ 14,365

5. Net assets / liabilities

Accumulated net charge against the Fund's authority

Accumulated net charge against the Fund's authority is the cash position of the Revolving Fund, held by the Government on behalf of the Revolving Fund.

Accumulated surplus

The accumulated surplus is an accumulation of each year's surpluses including the absorption of the opening deficit of \$9,448,000 upon establishment of the Revolving Fund.

(in thousands of dollars)	2006	2005
Accumulated net charge against the Fund's authority	\$ (131,695)	\$ (101,480)
Accumulated surplus	69,406	56,112
Net assets / liabilities	\$ (62,289)	\$ (45,368)

6. Commitments
(in thousands of dollars)

TechSource

The Fund has contracted Government Telecommunication and Informatics Services to provide maintenance services for the TechSource System. Amounts committed are:

2007	5,709
2008	5,941
2009	6,188
2010	6,442
	\$ 24,280

The Fund has contracted for the application development and maintenance support of the Continued Systems Improvements Program (CSIP) by which the Fund's systems and infrastructure are kept intact and improved upon in a controlled manner on a continuous basis. The maximum commitments are up to

2007	3,656
2008	2,437
	\$ 6,093

The Fund has operating leases for its premises from PWGSC. Future lease payments are as follows:

2007	6,870
2008	6,639
2009	4,655
	\$ 18,164

7. Changes in working capital

Components of the changes in current assets and liabilities include:

(in thousands of dollars)	2006	2005
Accounts receivable (net of bad debt)	\$ (90)	\$ (575)
Unbilled revenues (short term)	1,437	1,016
Prepaid expenses	(138)	(8)
Deposit accounts	378	333
Accounts payable	2,088	(2,300)
Deferred revenues (short term)	6,144	5,563
	\$ 9,819	\$ 4,029

8. Related party transactions

Through common ownership, the Fund is related to all Government of Canada created departments, agencies and Crown corporations. Payments for accommodation, translation, legal services, compensation and benefits services, mail services, security services and mainframe and computing services are made to related parties in the normal course of business.

9. Insurance

The Fund does not carry insurance on its property. This is in accordance with the Government of Canada policy of self-insurance.

10. Contingencies

Sick Leave

Employees are permitted to accumulate unused sick leave. However, such leave entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which will become payable in future years cannot reasonably be determined and accordingly have not been recorded in the accompanying financial statements. Payments of sick leave benefits are included in current operations as incurred.

11. Income taxes

The Fund is not subject to income taxes.

3.11 Financial Statements of the Department of Industry

Department of Industry (033)

Statement of Management Responsibility

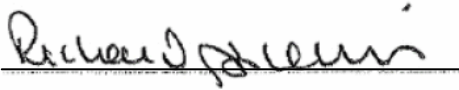
Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2006 and all information contained in this report rests with departmental management. These statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgement and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the department's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the Financial Administration Act, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

Management is supported by the Departmental Audit and Evaluation Committee (DAEC). This Committee approves the departmental audit and evaluation plan and oversees the internal audit and evaluation activities in the Department. It also reviews the results of audits and evaluations as well as management responses and action plans developed to address audit or evaluation recommendations.

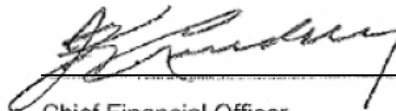
The financial statements of the department have not been audited.



Deputy Head
Ottawa, Canada

Aug 10 / 06,

Date



Chief Financial Officer

18 August, 2006

Date

Industry Canada
Statement of Operations (Unaudited)
For the year ended March 31
(in thousands of dollars)

	2006			2005	
	Marketplace	Science, technology & innovation	Economic development	Total	Total
Expenses					
Transfer payments					
Industry	\$ -	\$ 228,982	\$ 39,377	\$ 268,359	\$ 334,127
Other	8,647	(87)	383,934	392,494	534,729
Total transfer payments	8,647	228,895	423,311	660,853	868,856
Operating expenses					
Salaries and employee benefits	301,903	76,597	139,321	517,821	489,602
Professional and special services	52,224	16,149	35,940	104,313	95,067
Accommodation	29,552	3,553	18,922	52,027	47,511
Travel	13,120	2,178	7,881	23,179	20,843
Furniture and equipment	8,481	3,883	4,762	17,126	17,743
Amortization	11,501	4,237	2,451	18,189	17,823
Equipment repair and maintenance	7,585	2,202	2,996	12,783	10,669
Communication	10,409	2,919	7,401	20,729	20,774
Rentals	8,605	413	1,167	10,185	9,219
Utilities, materials and supplies	4,533	3,504	2,886	10,923	10,655
Postage	1,385	141	460	1,986	2,018
Loss on disposal of capital assets	59	34	68	161	711
Other operating expenses	2,435	2,087	18,219	22,741	1,430
Total operating expense	451,792	117,897	242,474	812,163	744,065
Transferred operations					
Office of the Registrar of Lobbyists	-	-	-	958	490
Total expenses	460,439	346,792	665,785	1,473,974	1,613,411
Revenues					
Sales of services and privileges	568,728	10,039	61,237	640,004	617,791
Dividends	-	-	16,786	16,786	13,630
Revenue from fines	8,064	-	-	8,064	8,553
Amortization of discounts	-	75	4,398	4,473	-
Other revenue	359	242	3,633	4,234	4,272
Gains on disposal of assets	151	18	34	203	268
	577,302	10,374	86,088	673,764	644,514
Transferred operations					
Office of the Registrar of Lobbyists	-	-	-	2	-
Total revenues	577,302	10,374	86,088	673,766	644,514
Net cost of operations	\$ (116,863)	\$ 336,418	\$ 579,697	\$ 800,208	\$ 968,897

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

Industry Canada
Statement of Financial Position (unaudited)
at March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
ASSETS		
Financial assets		
Accounts receivables and advances (Note 4)	\$ 193,915	\$ 193,658
Loans (Note 5)	266,053	158,096
Investments (Note 6)	<u>1,066,400</u>	<u>1,066,400</u>
Total financial assets	<u>1,526,368</u>	<u>1,418,154</u>
Non-financial assets		
Prepaid expenses	222	84
Tangible capital assets (Note 7)	<u>97,464</u>	<u>94,396</u>
Total non-financial assets	<u>97,686</u>	<u>94,480</u>
TOTAL	<u>\$ 1,624,054</u>	<u>\$ 1,512,634</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 495,229	\$ 672,567
Vacation pay and compensatory leave	25,872	25,766
Deferred revenue (Note 9)	1,285,782	1,429,041
Allowance for loan guarantee (Note 12)	432,444	387,645
Employee severance benefits (Note 11)	79,341	69,512
Other liabilities (Note 10)	<u>19,537</u>	<u>19,576</u>
Total liabilities	<u>2,338,205</u>	<u>2,604,107</u>
Equity of Canada	<u>(714,151)</u>	<u>(1,091,473)</u>
TOTAL	<u>\$ 1,624,054</u>	<u>\$ 1,512,634</u>

Contingent liabilities (Note 12)
Contractual obligations (Note 13)

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

Industry Canada
Statement of Equity of Canada (unaudited)
For the year ended March 31, 2006
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Equity of Canada, beginning of year	\$ (1,091,473)	\$ (1,282,439)
Net cost of operations	(800,208)	(968,897)
Current year appropriations used (Note 3)	1,617,037	1,376,585
Revenue not available for spending	(491,458)	(461,032)
Refund of previous year expenditures	(9,419)	(8,804)
Change in net position in the Consolidated Revenue Fund (Note 3)	(18,387)	170,372
Services provided without charge by other government departments (Note 14)	79,757	82,742
Equity of Canada, end of year	<u>\$ (714,151)</u>	<u>\$ (1,091,473)</u>

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

Industry Canada
Statement of Cash Flow (unaudited)
For the year ended March 31, 2006
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Operating activities		
Net cost of operations	\$ 800,208	\$ 968,897
Non-cash items:		
Amortization of tangible capital assets	(18,189)	(17,823)
Gain (loss) on disposal and write-down of tangible capital assets	43	(443)
Loss on write-offs	(2,795)	-
Post capitalization of tangible capital assets	189	307
Services provided without charge	(79,757)	(82,742)
Variations in Statement of Financial Position:		
Change in receivables, advances, loans and investments	108,214	355,207
Change in prepaid expenses	138	(33,461)
Change in liabilities	265,902	(128,864)
Cash used by operating activities	<u>1,073,953</u>	<u>1,061,078</u>
Capital investment activities		
Acquisitions of tangible capital assets	7,691	6,156
Assets under construction	16,360	10,177
Proceeds from disposal of tangible capital assets	(231)	(290)
Cash used by capital investment activities	<u>23,820</u>	<u>16,043</u>
Financing activities		
Net cash provided by Government of Canada	<u>\$ 1,097,773</u>	<u>\$ 1,077,121</u>

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

Industry Canada
Notes to the Financial Statements (unaudited)

1. Authority and Objectives

The authorities for the programs for which Industry Canada is responsible, are derived from the Department of Industry Act. Many other acts are under the responsibility of the Minister of Industry, and Treasury Board also defines other specific Industry authorities.

Industry Canada aims to help Canadians contribute to the knowledge economy and improve productivity and innovation performance through its three strategic outcomes, which are mutually reinforcing. Sound marketplace frameworks help establish a business environment that supports innovation, investment and entrepreneurial activity. Fostering innovation in science and technology helps ensure that discoveries and breakthroughs happen here in Canada, and that the social and economic benefits of these innovations contribute to improving Canadians' standard of living and quality of life. Encouraging investment in technology will help Canadian businesses to compete in the global marketplace and increase opportunities for trade. Successful businesses combined with a sound environment form the sustainable communities that attract investment. Taken together, the Department's strategic outcomes support growth in employment, income and productivity, and promote sustainable development in Canada.

Industry Canada's activities are delivered at its headquarters in Ottawa as well as in the regions. There are six regional offices and local service points located in 50 communities.

Industry Canada has a number of transfer payment programs through which it provides grants and contributions to recipients in targeted groups and sectors. Each transfer payment program has specific objectives and expected results that support the achievement of Industry Canada's strategic objectives.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

a) Parliamentary appropriations

Industry Canada is financed through Parliamentary appropriations. Appropriations provided to the department do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

b) Consolidation

The financial statements include the accounts of Industry Canada including the revolving fund Canadian Intellectual Property Office (CIPO) and special operating agencies Measurement Canada, Superintendent of Bankruptcy and Technology Partnerships Canada. The accounts of these sub-entities have been consolidated with those of the department and all inter-organizational balances and transactions have been eliminated. The department's investment in the Business Development Bank of Canada is recorded at cost. The net results of the BDBC are not consolidated in these financial statements as the department is not deemed to control the Crown corporation.

- c) Net cash provided by government
Industry Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by Industry Canada is deposited to the CRF and all cash disbursements made by the department are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.
- d) Change in net position in the Consolidated Revenue Fund
This is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-responsible revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.
- e) Revenue
- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
 - Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
 - Revenues that have been received but not yet earned are recorded as deferred revenues.
- f) Expense
The following expenses are recorded on the accrual basis:
- Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements;
 - Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement;
 - Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
 - Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and worker's compensation costs and legal services are recorded as operating expenses at their estimated cost.
- g) Employee future benefits
- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the department to make contributions for any actuarial deficiencies of the Plan.
 - ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

- h) **Receivables**
Receivables are stated as amounts expected to be ultimately realized. A provision is made for receivables where recovery is considered uncertain.
- i) **Allowances for loan guarantees**
An allowance for loan guarantees is recorded for potential losses on loan guarantees when it is likely that a payment will be made in the future to honour a guarantee and when the amount of the loss can be reasonably estimated.
- The allowance for losses on outstanding loan guarantees is based upon forecasting models developed by program areas.
- j) **Repayable contributions**
Repayable contributions are contributions the recipient is expected to repay. Depending on their nature, they are classified as either unconditionally repayable or conditionally repayable and are accounted for differently.
- a) **Unconditionally repayable contributions** are contributions that must be repaid without qualification. Normally, these contributions are provided with a low or no interest clause. They are recorded on the Statement of Financial Position as loans at their estimated present value, if they contain significant concessionary terms (defined to be when the grant portion is greater than 25% of the contribution). Otherwise, they are recorded at the face value of the loan. A portion of the unamortized discount is brought into income each year to reflect the change in the present value of the contributions outstanding. Appropriate allowances for uncollectible amounts are also established based on an individual appraisal of accounts.
- b) **Conditionally repayable contributions** are contributions that, all or a part of become repayable, if conditions specified in the contribution agreement come into effect. Accordingly, they are not recorded on the Statement of Financial Position until such time as the conditions specified in the agreement are satisfied, at which time they are then recorded as a receivable and a corresponding reduction in transfer payment expense.
- k) **Prepaid expenses**
Includes prepaid expenses, deferred charges, and payments where, pursuant to a contract or contribution agreement, a payment is made before the completion of the work, delivery of the goods or rendering of the service.
- l) **Contingent liabilities**
Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.
- m) **Environmental liabilities**
Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the department becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the department's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

- n) **Foreign currency transactions**
Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect on 31 March. Gains and losses resulting from foreign currency transactions are included in 'other operating expenses' on the statement of operations.
- o) **Tangible capital assets**
All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. The department does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value; assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Buildings	15 to 30 years
Works and Infrastructure	30 years
Machinery and equipment	3 to 10 years
Vehicles	5 to 10 years
Assets under construction	Once in service, in accordance with asset type
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement

- p) **Measurement uncertainty**
The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

Parliamentary appropriations

Industry Canada receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Department has different net results of operations for the year on a government-funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year appropriations used

(in thousands of dollars)

	2006	2005
Net cost of operations	\$ 800,208	\$ 968,897
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Revenue not available for spending	491,458	461,032
Repayment of conditionally repayable contributions	110,382	79,363
Services provided without charge	(79,757)	(82,742)
Allowance for loan guarantees	(42,157)	190,055
Bad debts/write-offs/write-downs	(24,063)	(1,401)
Amortization of tangible capital assets	(18,189)	(17,823)
Tangible capital asset under construction	16,360	10,177
Employee severance benefits	(9,829)	1,562
Payables at year-end	9,512	3,318
Refund of previous year expenditure	9,419	8,804
Justice Canada expenditure reversals	(5,313)	(5,312)
Allowance for litigation	564	-
Vacation pay and compensatory leave	(368)	469
Gain (Loss) on disposal and write-down of tangible capital assets	(161)	(711)
Allowance for environmental liabilities	38	-
Year-end accrual of transfer payments	-	(258,469)
Other	(1,614)	(278)
	1,256,490	1,356,941
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less):		
Payment of transfer payments to foundations	225,000	-
Loans, investments, and advances	140,941	14,306
Deferred revenue	(13,347)	(42)
Acquisitions of tangible capital assets	7,691	6,156
Allowance for vacation pay	262	247
Devolution of contingent liabilities	-	(1,023)
Current year appropriation used	\$ 1,617,037	\$ 1,376,585

b) Appropriations provided and used

(in thousands of dollars)

	2006	2005
Vote 1 - Operating expenditures	\$ 484,902	\$ 454,864
Vote 5 - Capital expenditures	19,865	5,561
Vote 10 - Grants and contributions	830,476	945,512
Statutory amounts	489,430	246,792
Less:		
Appropriations available for future years	(140,031)	(122,013)
Lapsed appropriations: Operating	(67,605)	(154,131)
Current year appropriations used	<u>\$ 1,617,037</u>	<u>\$ 1,376,585</u>

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

(in thousands of dollars)

	2006	2005
Net cash provided by Government	\$ 1,097,773	\$ 1,077,121
Revenue not available for spending	491,458	461,032
Refund of previous year expenditure	9,419	8,804
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable, advances, loans and investments	(108,214)	(355,207)
Variation in accounts payable and other liabilities	(122,643)	107,832
Variation in deferred revenue	(143,259)	21,032
Other adjustments	392,503	55,971
	<u>18,387</u>	<u>(170,372)</u>
Current year appropriations used	<u>\$ 1,617,037</u>	<u>\$ 1,376,585</u>

4. Accounts receivables and advances

(in thousands of dollars)

	2006	2005
External		
Accounts receivable – other revenue	\$ 115,471	\$ 120,075
Allowance for doubtful accounts	(108,422)	(107,348)
Accrued receivables	20,963	22,474
Employee advances	121	138
Other	102	1,524
Total External	<u>28,235</u>	<u>36,863</u>
Receivables from other Federal Government departments and agencies	165,680	156,795
Total accounts receivables and advances	<u>\$ 193,915</u>	<u>\$ 193,658</u>

5. Loans

(in thousands of dollars)

	2006	2005
Atlantic Development Board for Water Projects	\$ 39	\$ 76
Atlantic Provinces Power Development Act	2,862	16,983
Enterprise development loans	110,000	110,000
Less: Unamortized discount	<u>(38,041)</u>	<u>(41,499)</u>
Net enterprise development loans	<u>71,959</u>	<u>68,501</u>
Unconditionally repayable contributions	200,067	84,494
Less: Unamortized discount	(7,289)	(8,303)
Less: Allowance for doubtful loans and advances	<u>(1,585)</u>	<u>(3,655)</u>
Net unconditionally repayable contributions	<u>191,193</u>	<u>72,536</u>
Loans and advances on expired loan guarantees	117,372	130,060
Less: Allowance for doubtful loans	<u>(117,372)</u>	<u>(130,060)</u>
Net loans on expired loan guarantees	<u>-</u>	<u>-</u>
Total loans	<u>\$ 266,053</u>	<u>\$ 158,096</u>

Atlantic Development Board for Water Projects

Loans have been made to finance certain water projects that were carried over from the Atlantic Development Board. The loans bear interest at rates from 7.5% to 8.5% per annum, and are repayable at various anniversary dates with final instalments due April 1, 2006.

Atlantic Provinces Power Development Act

Loans have been made to Atlantic Provinces, to assist in the generation of electrical energy by steam driven generators in the provinces, and in the control and transmission of electric energy. The loans bear interest at rates from 4.5% to 8.5% per annum, and are repayable in annual instalments over the next 8 years, with final instalments due March 31, 2014.

Enterprise development loans

These loans are made to industries engaged in manufacturing, processing or service industries in Canada in order to promote the establishment, improvement, growth, efficiency or international competitiveness of such industries, or to assist them in their financial restructuring. There is one interest-free loan outstanding which is repayable at maturity on April 1, 2017.

Unconditionally repayable contributions

The unamortized discount on unconditionally repayable contributions is calculated by applying the 25% rule on an individual loan basis.

Loans on expired loan guarantees

The Department guarantees loans to small business enterprises under the Small Business Loans Act, the Canada Small Business Financing Act, the Capital Leasing Pilot Project and other loan guarantee payments net of recoveries. Payments made to lending institutions under the terms of the guarantee are recorded as loans receivables as the Crown has recourse to recover amounts, from the borrower paid upon default.

6. Investments

(in thousands of dollars)

	2006	2005
Business Development Bank of Canada	\$ 1,066,400	\$ 1,066,400
Total investments	\$ 1,066,400	\$ 1,066,400

Business Development Bank of Canada

The Corporation is an agent of Her Majesty, reports through the Minister of Industry, and is listed in Part I of Schedule III of the Financial Administration Act. Included in the account are:

- Common Shares - The Government's investment in the common shares of the Corporation represents a book value of \$808.4 million.
- Preferred Shares - The outstanding book value of preferred shares purchased pursuant to Section 23 of the Business Development Bank of Canada Act as at March 31, 2004 is \$230 million.
- Contributed Capital - Contributed capital in the amount of \$28 million was issued in 1999-2000 in counterpart of the transfer of the Cultural Industries Development Fund to the Corporation.

During the year, the department recorded \$16,786,492 in dividend revenue from the BDBC (\$13,630,251 in 2005).

7. Tangible capital assets

(in thousands of dollars)

Capital Asset Class	Cost				Accumulated amortization							
	Opening balance April 1, 2005	Acquisitions during the year	Disposals/write-offs, during the year	Adjustments (i)	Closing balance March 31, 2006	Opening balance April 1, 2005	Amortization	Disposals/write-offs, during the year	Adjustments (i)	Closing balance March 31, 2006	2006 Net book Value	2005 Net Book Value
Land	\$ 1,450	\$ -	\$ -	\$ -	\$ 1,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,450	\$ 1,450
Buildings	34,780	-	-	332	35,112	16,284	1,224	-	-	17,508	17,604	18,496
Works and infrastructure	15,884	250	-	(9,969)	6,165	3,439	208	-	-	3,647	2,518	12,445
Machinery and equipment	111,050	6,553	2,879	13,059	127,783	78,164	13,527	2,746	(341)	88,604	39,179	32,886
Vehicles	12,514	889	1,082	106	12,427	7,855	1,404	1,026	145	8,378	4,049	4,659
Assets under construction	15,139	14,631	2,795	(6,697)	20,278	-	-	-	-	-	20,278	15,139
Leasehold improvements	13,094	1,713	-	3,178	17,985	3,773	1,826	-	-	5,599	12,386	9,321
Total	\$203,911	\$ 24,036	\$ 6,756	\$ 9	\$ 221,200	\$109,515	\$ 18,189	\$ 3,772	\$ (196)	\$ 123,736	\$ 97,464	\$ 94,396

Amortization expense for the year ended March 31, 2006 is \$18,189,357 (2005 - \$17,822,955).

(i) Adjustment includes entries to realign assets to proper classes, post capitalization and settlement from assets under construction to completed assets.

8. Accounts payable and accrued liabilities

(in thousands of dollars)

	2006	2005
External		
Accounts payable	\$ 471,244	\$ 425,710
Accrued salaries and wages	10,699	8,383
Allowance for contingent liabilities	459	1,023
Environmental liabilities	161	199
Transfer payments	-	225,000
Other external payables	463	106
Total external	<u>483,026</u>	<u>660,421</u>
Accounts payable to other Federal Government departments and agencies	<u>12,203</u>	<u>12,146</u>
Total accounts payable and accrued liabilities	<u>\$ 495,229</u>	<u>\$ 672,567</u>

9. Deferred revenue

The majority of the department's deferred revenues result from the auction of radio license frequencies. These revenues are recognized over a ten-year period. Another main source of deferred revenues come from examination requests of intellectual property. These fees are charged in advance and recognized as revenue once the exam is completed.

Prime Minister's Awards were established to record amounts deposited by external parties to be used in support of the Prime Minister's Awards for Teaching Excellence.

(in thousands of dollars)

	2006	2005
Opening balance	\$ 1,429,041	\$ 1,408,009
Licence fees received	201,715	245,312
Licence fees recognized	(358,742)	(236,868)
Fees for trademarks, patents and copyrights received	30,913	27,724
Fees for trademarks, patents and copyrights recognized	(18,333)	(15,889)
Other services of regulatory nature received	1,400	487
Other services of regulatory nature recognized	(453)	(253)
Prime Minister awards received	50	50
Prime Minister awards disbursed	(190)	-
Customer deposits received	51,676	41,312
Customer deposits disbursed	(51,295)	(40,843)
Deferred revenue, closing balance	<u>\$ 1,285,782</u>	<u>\$ 1,429,041</u>

10. Other Liabilities

Other liabilities represent funds received from third parties to be disbursed for a specified purpose. Activity during the year in these accounts is as follows:

(in thousands of dollars)

	April 1, 2005	Receipts	Payments	March 31, 2006
Cost sharing projects	\$ 2,419	\$ 585	\$ 2,468	\$ 536
Securities in trust, Bankruptcy and Insolvency Act	83	-	-	83
Contra - Securities in trust, Bankruptcy and Insolvency Act	(31)	-	-	(31)
Unclaimed dividends and undistributed assets	11,648	2,822	1,111	13,359
Petro Canada Enterprises Inc. unclaimed shares	961	2	-	963
Canada Business Corporations Act (CBCA)	3,891	206	98	3,999
Winding-up Act	530	-	-	530
Canada/provinces business service centre	75	400	377	98
Total other liabilities	\$ 19,576	\$ 4,015	\$ 4,054	\$ 19,537

Cost sharing projects - Industry Canada partners with other governments and external organizations to deliver programs and services that contributes to an innovative economy. The account was established to record amounts deposited by these partners.

Securities in trust and income from securities in trust, Bankruptcy and Insolvency Act - was established to record dividends paid on shares held by a bankrupt stockbroker on behalf of clients. As the shares were not registered in clients' names, dividends are paid to the last registered owner, in this case, the stockbroker. These dividends are forwarded to the Superintendent of Bankruptcy until such time as rightful owners are identified.

Unclaimed dividends and undistributed assets, Bankruptcy and Insolvency Act - This account represents amounts credited to the Receiver General in accordance with the provisions of the Act, pending distribution to creditors.

Petro-Canada Enterprises Inc. - unclaimed shares - was established to record the liability to shareholders who have not presented their shares for payment in accordance with Section 227 of the Canada Business Corporations Act.

Unclaimed dividends and undistributed assets, Canada Business Corporations Act - was established for the purpose of recording liabilities to creditors and shareholders who have not been located. The account is charged when funds are paid to them.

Winding-up Act - records deposits credited to the Receiver General as a result of the final winding-up of the operations of a company, in accordance with sections 138 and 139 of the Winding-Up Act, pending distribution to the persons entitled thereto.

11. Employee benefits

(a) Pension benefits

Industry Canada's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The 2005-06 expense amounts to \$56,994,775 (\$54,830,319 in 2004-05), which represents approximately 2.6 times the contributions by employees.

The department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The department provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

(in thousands of dollars)

	2006	2005
Accrued benefit obligation beginning of year	\$ 69,512	\$ 71,075
Expense for the year	17,137	4,247
Benefits paid during the year	(7,308)	(5,810)
Accrued benefit obligation end of year	\$ 79,341	\$ 69,512

12. Contingent liabilities

a) Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where the department is obligated or likely to be obligated to incur such costs. The department has identified 2 sites (2 sites in 2005) where such action is possible and for which a liability of \$161,500 (\$199,500 in 2005) has been recorded. The department's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by the department in the year in which they become known.

b) Claims and litigation

Claims have been made against the department in the normal course of operations. Legal proceedings for claims totalling approximately \$459,000 (\$1,023,204 in 2005) were still pending at March 31, 2006. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

c) Loan guarantees

The department has guaranteed the following debts:

(in thousands of dollars)

	Authorized Limit	Loan Guarantee Outstanding Balance
Enterprise Development Program	\$1,200,000	\$212
Small Business Loan Guarantee Program (SBLA)	1,838,296	137,099
Canadian Small Business Financing Act Loan Guarantee (SBFA)	1,087,333	743,963
Capital Leasing Pilot Project	10,372	9,934
Air Carrier Loan Guarantee	931,350	179,015
Aboriginal Economic Program	No limit	1,465
Regional Aircraft Credit Facility	1,500,000	112,854

An allowance of \$432,444 has been recorded for estimated losses on outstanding loan guarantees (\$387,645 in 2005). The expenses related to loan guarantees are reported under other transfer payments in the Statement of Operations.

Enterprise Development Program - Loans are made to Canadian manufacturers and members of the service industry for the purpose of promoting the establishment, growth, efficiency and international competitiveness of Canadian industry. These loans also foster the expansion of Canadian industry and of Canadian trade to a person engaged or about to engage in manufacturing, processing or other commercial activity.

SBLA & CSBFA - Loans are made directly by approved lenders to small business enterprises, providing for sharing of each individual loan loss, if any, on the basis of 85% government, 15% lender, to an aggregate, per lending institution not exceeding the Minister's contingent liability, as stated in Section 5 of the SBLA and Section 6(2) of the CSBFA.

The authorized limit represents the Crown's maximum liability incurred on the aggregate amount of loans made by the lender starting in April 1985 (SBLA) and April 1999 (SBFA).

The outstanding guarantee for loans made starting in April 1985 (SBLA) and April 1999 (SBFA), is the lesser of the Crown's net liability (authorized limit less claims paid by the Crown) or the outstanding loan amounts of the lenders.

Capital Leasing Pilot Project (CLPP) - Capital leases are entered directly by approved lenders to small business enterprises, providing for sharing of each individual lease loss, if any, on the basis of 85% government, 15% lessor to an aggregate, per leasing institution, not exceeding the Minister's contingent liability based upon the aggregate amount of leases registered per leasing institution, as stated in section 7 of the CLPP.

The authorized limit represents the Crown's maximum liability incurred on the aggregate amount of the capital leases having been entered or transferred since the period starting in April 2002.

The outstanding guarantee for capital leases entered into in April 2002, is the lesser of the Crown's net liability or the outstanding capital lease amount of the lessors.

Air Carrier Loan Guarantees - To provide for insurance of the financial obligations incurred by the purchaser resulting in an arrangement with a vendor, lessor or lender for the purchase of a deHavilland DHC -7 and DHC -8 aircraft.

Aboriginal Economic Program - To increase commercial enterprise activity by Aboriginal Canadians as a major step towards enhancing their economic self reliance, by providing financial and advisory assistance at various stages and for several aspects of enterprise development.

Regional Aircraft Credit Facility - The department has extended loan guarantees on several Air Canada regional jets. Provisioning from the Canada Account Loss Provisioning Pool has been set aside by Finance Canada, manager of the funds. The loan guarantees began in the summer of 2005 and have a life of 15 years.

13. Contractual obligations

The nature of the department's activity results in some large multi-year contracts and obligations whereby the department will be committed to make future payments when the services/goods are rendered. Major commitments that can be reasonably estimated are as follows:

(in thousands of dollars)

	2007	2008	2009	2010	Thereafter
Transfer payments	\$442,220	\$287,645	\$142,580	\$62,175	\$74,911
Other good and services	94,724	10,610	6,250	1,896	217
Other	67,876	-	-	-	-
Total	\$604,820	\$298,255	\$148,830	\$64,071	\$75,128

14. Related party transactions

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

Services provided without charge:

During the year the department received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the department's Statement of Operations as follows:

(in thousands of dollars)

	2006	2005
Accommodation provided by Public Works and Government Services Canada (PWGSC)	\$ 52,027	\$ 47,511
Employer's contribution to the health and dental insurance plans paid by Treasury Board Secretariat	22,799	30,433
Workman's compensation coverage provided by Human Resources and Social Development Canada	449	489
Legal services provided by Justice Canada	4,482	4,309
Total services provided without charge	<u>\$ 79,757</u>	<u>\$ 82,742</u>

3.12 Response to Parliamentary Committees, and Audits and Evaluations for Fiscal Year 2005–06

Response to Parliamentary Committees

Not applicable

Response to the Auditor General, including to the Commissioner of the Environment and Sustainable Development (CESD)

The 2005 report deals with environmental and sustainable development issues concerning Canadians' health, Canada's natural wealth and how the government can make sustainability part of its work. Issues audited include drinking water in First Nations communities, federal responsibilities for the safety of drinking water, oceans, national parks, biological diversity, green procurement and sustainable development strategies.

The report consists of 8 chapters; Industry Canada was included in Chapter 6 — Green Procurement, Chapter 7 — Sustainable Development Strategy and Chapter 8 — Environmental Petitions.

In all cases, Industry Canada was one of several departments examined and was subject to observations but no specific recommendations.

Chapter 6 — Green Procurement involves buying goods and services that are less harmful to human health and the environment than competing products that serve the same purpose. There were no recommendations that are specifically addressed to Industry Canada. However, the Commissioner noted that Industry Canada does not have a current comprehensive plan for greening its procurement.

Chapter 7 — Sustainable Development Strategy focuses on government-wide direction, quality of the 2004 strategies, action on strategy commitments and action on international commitments. The chapter mentions Industry Canada in a positive light in two areas: action on strategy commitments and action on international commitments, but it does not direct any of its recommendations to Industry Canada.

Chapter 8 — Environmental Petitions was to inform Parliament and Canadians on the use of the petition process and the monitoring of commitments and statements made in response to petitions. Although only one petition received and responded to by Industry Canada was audited, the audit found that the Department responded to it on time. There were no recommendations directed to the Department for action.

www.oag-bvg.gc.ca/domino/cesd_cedd.nsf/html/cesd_index_e.html

External Audits (Note: These refer to other external audits conducted by the Public Service Commission of Canada or the Office of the Commissioner of Official Languages.)

Not applicable

Internal Audits or Evaluations**Internal Audits**

Communications and Marketing Branch Audit of Contracting Activities

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/5f082f50f9828b438525710f005a4379!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/5f082f50f9828b438525710f005a4379!OpenDocument)

Audit of the Management Control Framework of the Canadian Intellectual Property Office

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/9c9d1efb9ba7e3e5852571300075c7a0!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/9c9d1efb9ba7e3e5852571300075c7a0!OpenDocument)

Follow-Up Audit of Grants and Contributions: Advances, Loans, Receivables and Unamortized Discounts

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/f73ddc03c6c174668525710f00653779!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/f73ddc03c6c174668525710f00653779!OpenDocument)

Follow-Up of the 2003 Audit of Revenue

Follow-Up of the 2003 Audit of Reconciliation Procedures, Roles and Responsibilities

Internal Evaluations

Interim Evaluation of the Structured Financing Facility

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/8a06f46b274a6c5d8525710f005bd4c6!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/8a06f46b274a6c5d8525710f005bd4c6!OpenDocument)

Evaluation of the Contributions Program for Non-Profit Consumer and Voluntary Organizations

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/94ddf536d5c258258525710f00642ac1!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/94ddf536d5c258258525710f00642ac1!OpenDocument)

Evaluation of the Spectrum Management Business Plan Investments

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/9e7272f6d578be9c8525713000755a19!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/9e7272f6d578be9c8525713000755a19!OpenDocument)

Mid-Term Evaluation of the First Nations SchoolNet Program

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/b3304cf713584a84852571300074bdc5!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/b3304cf713584a84852571300074bdc5!OpenDocument)

Alternate Service Delivery Pilot Evaluation Study Report

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/a60dc884feb392db8525710f00666f7d!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/a60dc884feb392db8525710f00666f7d!OpenDocument)

Evaluation Study of the Community Access Program

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/0a4a541f938f4e368525710f00675c1b!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/0a4a541f938f4e368525710f00675c1b!OpenDocument)

Evaluation of the SchoolNet Program

[www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/db61fcfbe48f5b868525710f0067e95e!
!OpenDocument](http://www.ic.gc.ca/cmb/welcomeic.nsf/532340a8523f33718525649d006b119d/db61fcfbe48f5b868525710f0067e95e!OpenDocument)

3.13 Sustainable Development Strategy

Industry Canada	
Points to Address	Departmental Input
1. What are the key goals, objectives, and/or long-term targets of the SDS?	<p>Industry Canada's third Sustainable Development Strategy (SDS III), 2003–06, supports a growing, competitive and innovative economy. Canada is a leader in the development, commercialization and adoption of sustainable development tools, practices and technologies throughout the economy.</p> <p>SDS III is structured around three strategic outcomes: innovation toward sustainable development, corporate and community sustainability, and sustainable development capacity building within Industry Canada. The strategic outcomes represent the long-term benefits to stakeholders that can be derived from the Department's sustainable development vision and efforts.</p> <p>The first strategic outcome aims to increase commercialization and adoption of eco-efficient tools and technologies through the following targets: capacity building in R&D skills, promoting technology innovation, and applying the tools in the marketplace. The second strategic outcome aims to increase use by stakeholders of corporate responsibility and sustainability practices through the following targets: promoting corporate responsibility and sustainability, and advancing local and global sustainability. The third strategic outcome aims to enhance the capacity of Industry Canada's sustainable development management system through this target: improving sustainable development planning, performance measurement and evaluation.</p>
2. How do your key goals, objectives, and/or long-term targets help achieve your department's strategic outcomes?	<p>The industry stakeholder-focused strategic outcomes in Industry Canada's SDS III are primarily linked to the Department's competitive industry and sustainable communities strategic outcome. In this context, Industry Canada is working to support long-term growth and competitiveness by enabling the development, commercialization and adoption of eco-efficient tools, practices and technologies throughout the economy. The Department is also working to increase use by industry, institutions and communities of corporate responsibility and sustainability practices.</p>
3. What were your targets for the reporting period?	<p>SDS III is a three-year Department-wide plan for sustainable development. Work has taken place on an ongoing basis throughout the three-year period (2003–06) to achieve the planned outcomes. Each of the three strategic outcomes has a specific target:</p> <p><u>Target 1</u> Work in partnership with industry and others to demonstrate eco-efficiency's contribution to enhancing productivity and environmental performance through capacity building in R&D and skills, promote technology innovation, and apply the tools in the marketplace. By December 2006, successfully complete 16 identified action plan items.</p> <p><u>Target 2</u> Work in partnership with industry, other government departments and others to promote corporate responsibility and sustainable development practices in businesses and encourage sustainable development for communities. By December 2006, successfully complete 10 identified action plan items.</p> <p><u>Target 3</u> Enhance the capacity of Industry Canada's management systems by focusing on the planning, performance measurement and evaluation functions, and improve the integration of sustainable development in decision-making processes. By December 2006, successfully complete six identified action plan items.</p>

<p>4. What is your progress (this includes outcomes achieved in relation to objectives and progress on targets) to date?</p>	<p>SDS III contains 32 action items, which are designed to deliver on the three strategic outcomes. A total of 16 branches from across Industry Canada are responsible for the implementation of these action items.</p> <p>Highlights of recent progress: Technology Partnerships Canada invested more than \$334 million in four sustainable development projects (which involve flexible manufacturing, hydrogen shuttle bus demonstration, and environmental technology), leveraging over \$3.5 billion in private sector investments; the Computers for Schools Program refurbished 113,411 computers and diverted some 2.45 million kg of information technology waste from landfills; and two sustainable development training courses were offered by the Strategic Policy Branch, which were attended by approximately 35 Industry Canada employees.</p> <p>Overall, Industry Canada made significant progress over the past 2.5 years in achieving its SDS III targets. These efforts have primarily focused on supporting long-term competitiveness through the dissemination of information, tools and practices to Canadian industry. Industry Canada has also moved to mainstream sustainable development in its planning and evaluation frameworks, and has improved its greening operations performance considerably.</p>
<p>5. What adjustments have you made, if any? (To better set the context for this information, discuss how lessons learned have influenced your adjustments.)</p>	<p>Industry Canada's SDS III contains 32 action items, which are being delivered over the three-year life of the strategy. While the action items have remained constant, many of the specific activities/initiatives that comprise them have been adjusted over time to reflect changes in individual branch priorities and resources. These are reported through the Department's monitoring and reporting system, and semi-annual strategy progress reports are submitted to both the Director General's Policy Committee and directly to the Deputy Minister. None of these specific changes has altered the strategy's vision or strategic outcomes. To date, five rounds of SDS III progress reports have been completed.</p>

3.14 Service Improvement

Organization	Client Satisfaction Measurement	Progress on Achieving Satisfaction Targets	Service Standards	Main Achievements in Improving Service (from Client Perspective)
Corporations Canada	<p>Client satisfaction is measured based on:</p> <ul style="list-style-type: none"> ▪ results of transactional surveys administered to users of the Online Filing Centre; ▪ results of feedback forms provided to clients at information sessions and outreach activities. 	<p>Client satisfaction ratings consistently exceed 80 percent for online services and 90 percent among major users of Corporate Canada services.</p>	<p>Corporations Canada's service standards are competitive with or exceed those of provincial and territorial regulators. These standards are met 90 percent or more of the time.</p> <p>An example of a service standard is turnaround time for incorporations filed online. The service standard is a four-hour turnaround time for filings that are in by 1:00 p.m. EST. This fast turnaround allows corporations to devote more time to their business rather than dealing with federal administrative requirements.</p>	<p>Corporations Canada engages in dialogue with its clients through annual information sessions, consultations and focus groups. At the 2005–06 annual information session, clients noted the following service improvements:</p> <ul style="list-style-type: none"> ▪ improvements to the Online Filing Centre and forms; and ▪ improvement in the quality of the 1-866 helpline, a service that successfully migrated from pilot to program status.
Canadian Intellectual Property Office (CIPO)	<p>CIPO is committed to improving overall client satisfaction with its Web site. Client satisfaction with the Web site is measured based on the results of a client satisfaction survey.</p> <p>The first client satisfaction survey was administered in 2001. The results of the 2001 survey provide a benchmark against which the second survey results were measured.</p>	<p>Results from the most recent client satisfaction survey showed:</p> <ul style="list-style-type: none"> ▪ overall agent satisfaction increased to 82 percent (from 68 percent in 2001); ▪ agent satisfaction with turnaround times was 52 percent (almost tripled since 2001); and ▪ more than half of clients rated service as "better" than that of other departments and agencies (increase of 7 percent since 2003, when this measure was first implemented). 	<p>Service standards are in place for key services; performance against those standards is measured annually and reported on in CIPO's annual report (cipo-opic.ic.gc.ca).</p>	<p>Results of the second client satisfaction survey indicate that CIPO achieved the Service Improvement Initiative's goal of a 10-percent client satisfaction improvement.</p>

Organization	Client Satisfaction Measurement	Progress on Achieving Satisfaction Targets	Service Standards	Main Achievements in Improving Service (from Client Perspective)
FedNor	Results achieved by FedNor under the Service Improvement Initiative can be viewed on its Web site: strategis.ic.gc.ca/epic/internet/infednor-fednor.nsf/en/fn02286e.html .			
Measurement Canada	Clients are given the opportunity to express their views on Measurement Canada's service delivery through an online service feedback form and during stakeholder meetings.		<p>Measurement Canada's service standards and service feedback form are available on its Web site at www.mc.ic.gc.ca.</p> <p>One focus of Measurement Canada's service improvement initiative has been to improve service delivery by increasing the number of service providers authorized to provide legislated mandatory services on the agency's behalf.</p> <p>Measurement Canada is also pursuing the use of quality management principles in the delivery of its key services. Quality management principles also form the basis for the delivery of the Registration Program.</p> <p>The agency continues to develop the policies and processes necessary to seek ISO 17025 of its Fluids Laboratory.</p>	<p>Measurement Canada has realized a 250-percent increase in the number of accredited and registered service providers between 1999–2000 and 2005–06 (from 30 organizations to 105).</p> <p>Despite growth in the use of complex measurement systems that are more time-consuming to verify, as well as an increase in the number of industry sectors in which measurement forms the basis of the financial transaction, Measurement Canada's service improvement initiative has resulted in improved service delivery without a corresponding increase in government resources required to provide these services.</p>

3.15 Fuel Storage Tanks

Status of Fuel Storage Tanks on Industry Canada–Owned Land

Annual Report for April 30, 2005

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

The following number of *aboveground* storage tank systems:

Are registered with Industry Canada: 0

Comply with the *Federal Aboveground Storage Tank Technical Guidelines*: 0

Do not comply with the *Federal Aboveground Storage Tank Technical Guidelines*: 0

The following number of *underground* storage tank systems:

Are registered with Industry Canada: 3

Comply with the *Federal Underground Storage Tank Technical Guidelines*: 3

Section 4:

Other Items of Interest

4.1 Strengthening Management Practices at Industry Canada

Industry Canada is committed to strengthening departmental management practices and uses the Management Accountability Framework (MAF) as a tool for advancing its management priorities. Below are some of the Department's achievements and progress on key management initiatives.

As a result of the latest MAF assessment cycle performed by TBS, Industry Canada has, overall, improved its rating compared with the previous year's assessment. Furthermore, TBS noted that the Department has made progress on all areas identified as management priorities for 2005–06. The Department will use the information contained in the MAF assessments, including the management priorities identified for 2006–07 and other management areas that provide opportunities for improvement, to strengthen its management practices.

A key achievement for Industry Canada was the development and offering of values and ethics sessions focusing on the Values and Ethics Code for the Public Service. Sessions were offered across the country in both official languages. In 2005–06, more than 30 half-day sessions were delivered, reaching some 500 employees. Since its inception in November 2004, more than 80 sessions have been provided, reaching a total of 1,400 Industry Canada employees. The sessions are aimed at raising awareness and understanding of values and ethics issues in the workplace and helping employees deal with issues pertaining to values and ethics in their day-to-day work. The sessions were very well received throughout the Department, and they continue to be available to employees.

Over the past fiscal year, the Department reached an important milestone and completed the development of a corporate risk profile. The profile identifies a series of key risk areas and corresponding potential risk events as well as mitigation strategies, grouped under the following five corporate risk areas: information technology security, partnerships (outreach and communication), stewardship and financial management, governance, and human resources management and knowledge management. The development of a risk profile is just one aspect of an ongoing and integrated risk management process. In 2006–07, work will continue on advancing and developing an Integrated Risk Management Framework for the Department.

Work was also undertaken, and will continue in 2006–07, on other priorities of the Department's management agenda and on government-wide priorities, including the *Federal Accountability Act* and related Action Plan; human resources and business planning; the government's learning, training and development policy; the Department's stewardship framework, information management and information technology (IM/IT); service delivery; and the Management, Resources and Results Structure.

4.2 IM/IT Governance and Responsibilities at Industry Canada

The effective use of information management (IM) and information technology (IT) is critical to the success of Industry Canada. The strategic importance and size of the Department's investment in IM/IT demands strong leadership and effective management. Within Industry Canada, the Chief Information Office (CIO) Sector is the principal departmental IM/IT advisor, accountable for the overall performance, effectiveness and efficiency of IM/IT services for the Department.

Over the course of 2005–06, a number of changes were made to the structure and governance of IT services. The changes included a departmental IT governance structure, which provides the framework required for strategic IT decision-making with a departmental lens and approach. Under the new governance structure, three departmental IT governance committees are now fully operational and provide a forum for IT-related strategic discussions. Together, the committees are responsible for IT procedures, policies, planning, investment decisions and standards governing the use of IT.

As part of vesting authority for IM/IT with the CIO, a decision was made to consolidate all IT functions from across the Department in the CIO Sector. This is to enhance departmental management and efficiency of IM/IT decision-making and to achieve economies of scale and rationalize IT spending.

The transition of IT services into the CIO Sector was planned in two phases: the first phase transferred most of the Department's core IT services to CIO and was completed in 2005–06; the second phase is expected to transfer all remaining IT functions in 2006–07, with the exception of CIPO and SITT application development functions.

4.3 Section 41: *Official Languages Act*

In 2005–06, the Department can claim two major achievements under section 41 of the *Official Languages Act*. The first is the consultative process and ongoing dialogue with official-language minority communities (OLMCs), including Francophones outside Quebec and Anglophones within Quebec. This dialogue has been undertaken at the community, regional and national levels to ensure that information on the Department's ongoing initiatives and future planning is shared and that community needs and priorities are clearly understood. This allows Industry Canada to help OLMCs better target the Department policies and programming that best suit their needs. This year, Industry Canada conducted its third annual consultations with linguistic minority communities from across the country. The Department was pleased to collaborate with the key umbrella organizations from both minority language communities in planning the consultation meetings. The annual consultations provide OLMCs from across the country, as well as IC officials, the opportunity to discuss issues and provide updates on their work, thereby providing a measure of accountability to each other and to Canadians.

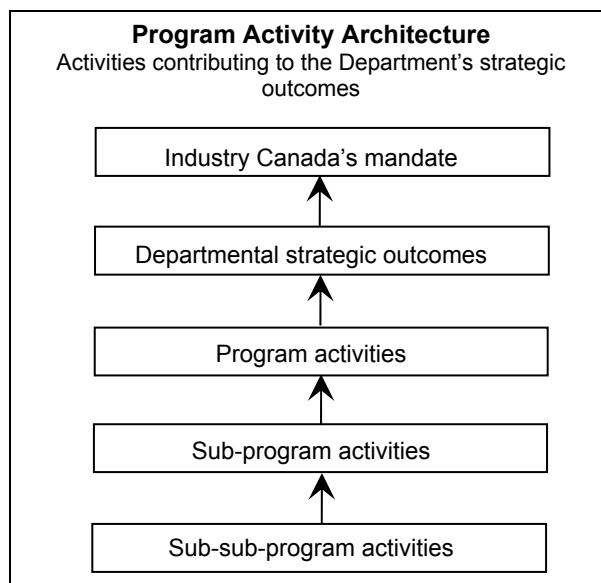
The Department's second major achievement is the strong research and analysis undertaken to develop tools to improve its knowledge and understanding of the OLMCs. The most important of these activities was a CD-ROM of geographic maps that pinpoint the locations of minority communities throughout the country. The second phase of this major project, which was begun in late 2005, greatly expanded the original product and will include a wide range of relevant socio-economic data to facilitate a better understanding of the economic situation of these communities. This will allow for a better comprehension of some of the disparities in OLMCs and will help to create opportunities to enhance economic development in these communities.

Industry Canada's initiatives under the federal Action Plan for Official Languages represents an extension of the Department's continuing efforts to improve minority community access to existing programs and to increase community participation in these programs. The eight full-time regional counsellors work directly with the communities, providing information on departmental programs and services. In addition, 11 OLMC projects were completed under the highly successful *Francommunautés virtuelles* program. This brings the total number of completed projects under this program to 31. A new request for proposals was launched in October 2005 for projects to be funded in 2006–07. The Department continues to work closely with the regional development agencies to launch over 50 youth internships and 17 tele-learning and tele-training pilot projects in partnership with universities, colleges and special organizations. Under the Language Industries Program, nine projects were supported, including marketing and research, to raise awareness of the industries and their products and services, as well as to help these industries seize new opportunities, both domestically and internationally. In summary, in 2005–06, Industry Canada invested over \$10.9 million in programs and activities that benefited the OLMCs, including \$2.95 million under the federal Action Plan for Official Languages.

The Department's relationship with the OLMCs is strong. Based on community feedback, Industry Canada's efforts have not gone unnoticed. The Department is committed to continuing its close working relationship with the minority communities and to building on the investments and results achieved to date.

Appendix

This appendix provides information on each of the sub-program and sub-sub-program activities identified in Industry Canada's Program Activity Architecture. Activities are listed by the program activity and strategic outcome to which they contribute. Information on these program activities and the departmental strategic outcomes is provided in sections 1 and 2 of the report. By working to achieve the expected results for these activities, Industry Canada makes progress toward achieving results at the program activity and strategic outcome levels, and, therefore, toward fulfilling its mandate. The results and indicators represent a preliminary attempt at demonstrating how Industry Canada measures its performance.



Strategic Outcome

A fair, efficient and competitive marketplace

Program Activity: Policy Sector — Marketplace

Sub-Program Activity: Marketplace Framework Policy Branch

Development and coordination of marketplace framework policies.

Expected Result: Development of policy to support legislative and regulatory initiatives

Performance Indicators	Results
<ul style="list-style-type: none"> • Reports and consultation papers published 	<ul style="list-style-type: none"> ▪ Nil. The Branch successfully concluded all of its legislative and regulatory initiatives and has no additional information to report in this section.
<ul style="list-style-type: none"> • Memoranda to Cabinet, bills and regulatory proposals developed 	<ul style="list-style-type: none"> ▪ Nil. The Branch successfully concluded all of its legislative and regulatory initiatives and has no additional information to report in this section.

Sub-Program Activity: Strategic Policy Branch — Marketplace

Development of strategic frameworks for the marketplace.

Expected Result: Integration of departmental and governmental objectives into the development of marketplace policies

Performance Indicators	Results
<ul style="list-style-type: none"> Number of marketplace items reviewed by the Senior Policy Committee (assistant deputy minister-level committee) 	<ul style="list-style-type: none"> Five items SPC members met 13 times over the period of April to December 2005. Some of the reviewed items fall under more than one strategic outcome but were counted under only one. Several items were reviewed more than once by SPC members but were counted once.

Sub-Program Activity: Micro-Economic Policy Analysis Branch (MEPA)

Micro-economic analysis in support of marketplace policy development.

Expected Result: High-quality microeconomic research and analysis of significant policy issues as input to policy development

Performance Indicators	Results
<ul style="list-style-type: none"> Number of <ul style="list-style-type: none"> papers presented at conferences, seminars and round tables conferences, round tables and seminars organized (and number of attendees) research publications current analysis publications hits and downloads for MEPA on Strategis 	<ul style="list-style-type: none"> Four papers presented at conferences Seven seminars Two papers, two volumes, four reports prepared for internal use, one newsletter Six issues of monthly bulletins were released prior to the bulletin's being discontinued Total visits to Economic Analysis and Statistics page on Strategis: 217,783 (note that this total is not disaggregated by strategic outcome)

Program Activity: Operations Sector — Marketplace**Sub-Program Activity: Regional Operations Spectrum**

Compliance with spectrum regulations through licensing and enforcement.

Expected Result: Timely and effective assignment of radio frequency spectrum that meets client needs

Performance Indicators	Results
<ul style="list-style-type: none"> Assignment levels achieved 	<ul style="list-style-type: none"> Service standards were met on 95.4 percent of applications.

Expected Result: Compliance with legislation, regulation and conditions of licence (through policies, regulations and legislation)	
Performance Indicators	Results
• Number of unauthorized stations	▪ Data collected from different regional initiatives is not statistically representative at the national level, and thus no quantified results can be derived.
• Number of stations operating in compliance with their authorized parameters	▪ 59 percent of stations are operating in compliance.
• Occurrence of interference from assignment errors	▪ 9 occurrences out of 14,329 assignments in Canada (0.001 percent)

Sub-Program Activity: Measurement Canada	
Assures the integrity and accuracy of measurement in Canada.	
Expected Result: Integrity and accuracy of measurement in Canada	
Performance Indicators	Results
• Year-over-year growth of alternative service delivery (ASD)	<ul style="list-style-type: none"> ▪ The number of registered organizations grew from 7 to 14 (100-percent growth). ▪ The number of accredited organizations grew from 80 to 91 (13.8-percent growth).
• Number of inspections performed by ASD partners	<ul style="list-style-type: none"> ▪ Accredited and registered organizations: <ul style="list-style-type: none"> ○ 95 percent of mandatory electricity and natural gas meter inspections ○ 29 percent of measuring instrument inspections.

Sub-Program Activity: Office of the Superintendent of Bankruptcy Canada		
Integrity of the insolvency system through supervision of the administration of all estates to which the <i>Bankruptcy and Insolvency Act</i> applies.		
Expected Result: The integrity of the bankruptcy and insolvency system is protected		
Performance Indicators	Target	Results
• Level of trustee compliance	<p>Percentage of files that should not be older than three years:</p> <ul style="list-style-type: none"> ▪ Files for Summary Estates: 90 percent ▪ Files for Ordinary Estates: 70 percent 	<ul style="list-style-type: none"> ▪ Summary Estates: 92.3 percent ▪ Ordinary Estates: 60.2 percent
• Level of debtor compliance	▪ N/A	▪ 53 percent of the files determined to meet the defined criteria for potential systemic abuse were closed without further action. The remaining 47 percent of files are under review.

Expected Result: Efficiency of the insolvency process	
Performance Indicators	Results
<ul style="list-style-type: none"> • Percentage of consumer bankruptcies and proposals filed electronically 	<ul style="list-style-type: none"> ▪ Percentage: 70 percent
<ul style="list-style-type: none"> • Percentage of trustees using the e-filing system 	<ul style="list-style-type: none"> ▪ Percentage: 75 percent

Sub-Program Activity: Corporations Canada Administration of corporate laws and related acts, and duties of the Office of the Registrar General of Canada.	
Expected Result: Improved compliance with corporate laws and regulations	
Performance Indicators	Results
<ul style="list-style-type: none"> • Percentage of corporations that comply with statutory requirements 	<ul style="list-style-type: none"> ▪ Compliance with annual return filings: 79.3 percent
Expected Result: Improved ease of use and timeliness of access to incorporation services and information	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of Corporations Canada's service standards achieved 	<ul style="list-style-type: none"> ▪ Service standards met 91 percent of the time
Expected Result: High level of key services delivered electronically	
Performance Indicators	Results
<ul style="list-style-type: none"> • Percentage of transactions completed online for key services 	<ul style="list-style-type: none"> ▪ 81 percent of new incorporations were completed online. ▪ 67 percent of annual returns were received online.

Program Activity: Spectrum, Information Technologies and Telecommunications Sector — Marketplace

Sub-Program Activity: Radiocommunications and Broadcasting Regulatory Branch Develops spectrum management regulatory and operational policies and procedures, manages radio frequency spectrum, certifies broadcasting facilities, ensures compliance with the rules and conditions applicable to the industry, and has the lead role for emergency telecommunications and cyber-security in Canada.	
Expected Result: Timely and efficient assignment of radio frequency spectrum	
Performance Indicators	Results
<ul style="list-style-type: none"> • Time taken to release auction framework document 	<ul style="list-style-type: none"> ▪ No auction process was done during 2005–06; however, a first-come, first-served process took place for residual personal communications services (PCS) spectrum. ▪ <i>Canada Gazette</i> notice for available PCS spectrum was released on July 2005. ▪ Preparatory work has begun for the next auction, which is tentatively scheduled for 2007–08.
<ul style="list-style-type: none"> • Auction results 	<ul style="list-style-type: none"> ▪ Through a first-come, first-served process, 19 licences were assigned to 4 applicants.

Sub-Sub-Program Activity: Emergency Telecommunications Program	
Uses an all-hazards approach to safeguard the communications and information technology (IT) infrastructure from harm due to physical and cyberspace incidents.	
Expected Result: Canadians have access to an enhanced communications and IT infrastructure during times of emergency	
Performance Indicators	Results
<ul style="list-style-type: none"> Percentage of communications systems in place and operational 	<ul style="list-style-type: none"> 33 percent of communications systems are in place and operational through Rogers Wireless.
<ul style="list-style-type: none"> Percentage of the population who have access to enhanced communications services during times of emergency 	<ul style="list-style-type: none"> 95 percent of population is still covered by Rogers Wireless Other Code Division Multiple Access (CDMA) carriers are evaluating possible implementation of Wireless Priority Service (WPS) in Canada.

Sub-Program Activity: Spectrum Engineering Branch	
Negotiates internationally for spectrum allocations, orbital slots and frequencies; performs technical analysis and evaluation on network vulnerability to malicious actions; and develops business information tools for spectrum management.	
Expected Result: Enhanced ability of the telecommunications and radiocommunications industry to develop new communications services and equipment for national and international markets	
Performance Indicators	Results
<ul style="list-style-type: none"> Number of <i>Canada Gazette</i> notices 	<ul style="list-style-type: none"> 14 <i>Canada Gazette</i> notices were published in 2005–06. These notices enable new communications services and equipment for national and international markets, while protecting existing services and technologies using the radio frequency spectrum.

Sub-Program Activity: Telecommunications Policy Branch	
Develops policies, regulations and legislation for the Canadian telecommunications services industry, and provides analysis and advice on the evolution of the competitive marketplace for telecommunications services.	
Expected Result: A policy and regulatory environment that promotes the efficient operation and competitive development of an innovative and advanced telecommunications services industry	
Performance Indicators	Results
<ul style="list-style-type: none"> Assessments of the status of competition in Canadian telecommunications markets 	<ul style="list-style-type: none"> Competitors' market share of total revenues: 23 percent Competitors' market share of long distance minutes: 41 percent Competitors' market share of local access lines: 7 percent Competitors' market share of data services revenues: 34 percent Incumbent telecommunications companies' market share of broadband subscribers: 42 percent Market share of largest wireless services provider: 37 percent

Sub-Program Activity: Electronic Commerce Branch
 Develops regulations and policies to promote e-business development and growth in Canada and strategies to encourage e-business adoption and use among Canadian businesses through analysis and measurement.

Expected Result: Increased awareness of and contribution to policies and practices for e-business development and growth in Canada and in developing markets

Performance Indicators	Results
<ul style="list-style-type: none"> • Assessment of Canadian firms' awareness of policies and practices for e-business development and growth 	<ul style="list-style-type: none"> ▪ Statistics Canada's Survey of Electronic Commerce and Technology provides annual baseline data on Canadian firms' use of the Internet. In addition, a substantial body of research was published in 2005–06. It examined the contribution of ICT investment to productivity growth and the rate of investment of Canadian firms, especially as it relates to the United States and other nations. The Electronic Commerce Branch continues to work closely with business leaders in advocating greater adoption of e-business solutions.

Sub-Sub-Program Activity: Canadian e-Business Initiative (CeBI)
 A voluntary, private sector-led partnership that aims to further Canada's e-business success by focusing on productivity, leadership and innovation. CeBI helps to create the right environment for e-business in Canada by advocating e-business adoption and use, advising on tax and investment rules that hamper economic growth, branding Canada as the technology-savvy country it is, and benchmarking Canada's performance in the digital economy.

Expected Result: Establish and advance Canada as a globally recognized e-business leader through private–public partnerships

Performance Indicators	Results
<ul style="list-style-type: none"> • Assessment of Canada's global e-business performance 	<ul style="list-style-type: none"> ▪ Funding for CeBI expired in March 2005. ▪ According to the Survey of Electronic Commerce and Technology, 82 percent of Canadian firms used the Internet in 2005. Research on private sector ICT investment in Canada and its contribution to productivity growth indicates that Canadian firms invest less than their counterparts in other nations.

Sub-Sub-Program Activity: ICT for Development (ICT4D)	
Bridges the digital divide in Africa by providing policy expertise on information and communications technologies (ICTs), and by improving access to ICTs in Africa through Canadian expertise and applications, especially in relation to education, health and community development, and by supporting African small and medium-sized enterprises (SMEs) in their application of ICTs.	
Expected Result: Constructive contribution to the increased awareness and use of ICTs in developing countries in support of socio-economic development, opportunities for Canadians in emerging ICT markets, and strengthened Canadian policy leadership internationally	
Performance Indicators	Results
<ul style="list-style-type: none"> • Attendance of and presentations made at various international conferences/symposiums 	<ul style="list-style-type: none"> ▪ Participation at eight international events/seminars as a speaker and panellist

Program Activity: Chief Information Office Sector — Marketplace

No sub-program or sub-sub-program activities have been identified. Therefore, the lowest reporting level is the program activity level.

Program Activity: Office of Consumer Affairs (OCA)

Sub-Program Activity: Consumer Policy	
Policy research and development, intergovernmental collaboration, and the development of non-regulatory instruments for consumer protection.	
Expected Result: Strengthened consumer research	
Performance Indicators	Results
<ul style="list-style-type: none"> • Consumer policy research projects developed with the active engagement of OCA 	<ul style="list-style-type: none"> ▪ Number of research projects: 15
Expected Result: Strengthened intergovernmental collaboration	
Performance Indicators	Results
<ul style="list-style-type: none"> • Intergovernmental collaborative projects developed with active engagement of OCA 	<ul style="list-style-type: none"> ▪ Number of intergovernmental collaborative projects: 6
Expected Result: Developed or strengthened non-regulatory instruments	
Performance Indicators	Results
<ul style="list-style-type: none"> • Codes, guides, guidelines, standards and other non-regulatory instruments 	<ul style="list-style-type: none"> ▪ ISO customer satisfaction code of conduct standard (new draft) ▪ ISO customer satisfaction dispute resolution standard (new draft) ▪ Canadian Code of Practice for Consumer Protection in Electronic Commerce (exploring possibility of using Canadian code as a basis for ISO standard) ▪ <i>Corporate Social Responsibility: An Implementation Guide for Canadian Business</i> (completed and published) ▪ <i>Canadian Consumer Handbook</i> (counted under intergovernmental results) ▪ Consumer Identity Theft Checklist (counted under intergovernmental results)

<ul style="list-style-type: none"> • Indications of usage of such non-regulatory instruments (where available) 	<ul style="list-style-type: none"> ▪ ISO customer satisfaction dispute resolution standard. The Ombudsman for Banking Services and Investments has indicated its intention to use the finalized standard as baseline for its dispute resolution activities. ▪ <i>Canadian Consumer Handbook</i> (counted under intergovernmental): 1000 CD copies distributed ▪ <i>Good Practice Guidelines for Canadian Movers</i> (referred to on Canadian Better Business Bureau Web sites)
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Sub-Program Activity: Activity: Consumer Information and Coordination	
Development and dissemination of consumer information products and services, and strengthened research and development capacity for consumer associations.	
Expected Result: Improved access to consumer information provided by government	
Performance Indicators	Results
<ul style="list-style-type: none"> • Take-up of Consumer Connection and Canadian Consumer Information Gateway products and services 	<ul style="list-style-type: none"> ▪ Average number of unique visits per month: <ul style="list-style-type: none"> ▪ Consumer Connection: 56,875 ▪ Canadian Consumer Information Gateway: 38,933 ▪ Consumer Complaints Courier: 2,989
<ul style="list-style-type: none"> • Client satisfaction 	<ul style="list-style-type: none"> ▪ Data unavailable. Public opinion research, such as webValidator, not permitted during this period.
Expected Result: Improved capacity of consumer groups	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of research project proposals funded under the Contributions Program for Non-Profit Consumer and Voluntary Organizations, and project report distribution (where available) 	<ul style="list-style-type: none"> ▪ Number of research projects funded: 38
<ul style="list-style-type: none"> • Number of development project proposals funded under the Contributions Program for Non-Profit Consumer and Voluntary Organizations, and project follow-up (where available) 	<ul style="list-style-type: none"> ▪ Number of organizational development projects funded: 5

Program Activity: Competition Bureau

Sub-Program Activity: Enforcement With Respect to Competition	
Expected Result: Marketplace awareness of enforcement activities of the Competition Bureau	
Performance Indicators	Results
<ul style="list-style-type: none"> • Extent to which target groups adjust behaviours based on their awareness and understanding of the enforcement activities of the Bureau 	<ul style="list-style-type: none"> ▪ There were 21 instances where companies adjusted their behaviour as a direct result of meeting with Bureau officials.
Expected Result: Companies cease their anti-competitive conduct following enforcement interventions	
Performance Indicators	Results
<ul style="list-style-type: none"> • Extent to which companies cease their anti-competitive conduct 	<ul style="list-style-type: none"> ▪ In targeting Internet-based weight-loss fraud, more than 450 suspect sites were reviewed, and 73 percent of Canadian firms complied with the Bureau's concerns by removing misleading claims.

Sub-Program Activity: Framework Policy and Advocacy With Respect to Competition	
Expected Result: Awareness of competition principles by governments, policy makers and stakeholders	
Performance Indicators	Results
<ul style="list-style-type: none"> • Extent to which target groups are aware of, understand and consider changes to competition principles 	<ul style="list-style-type: none"> ▪ Competition principles were taken into consideration during the debate in the House of Commons on four major issues related to gasoline, agriculture, transportation and financial services.
Expected Result: A modern policy framework	
Performance Indicators	Results
<ul style="list-style-type: none"> • Extent to which framework policy responds to evolving technology and business arrangements, regulatory reform, increasing globalization, and changing economic and social conditions 	<ul style="list-style-type: none"> ▪ Data unavailable. Last year, no frameworks were passed by Parliament to amend legislation under the Bureau's jurisdiction.

Sub-Program Activity: Services With Respect to Competition	
Expected Result: Marketplace participants awareness of rights and obligations	
Performance Indicators	Results
<ul style="list-style-type: none"> • Percentage of increased awareness of rights and obligations by consumers and businesses 	<ul style="list-style-type: none"> ▪ The Bureau chairs the Fraud Prevention Forum, a group of private sector firms, consumer and volunteer groups, government agencies, and law enforcement organizations committed to fighting fraud aimed at consumers and businesses. It also organizes an Annual Fraud Prevention Month, which took place in March 2006. Post-campaign public opinion research confirmed that messages about marketing fraud and identity theft are reaching the public: 54 percent of Canadians (compared with 50 percent last year) recalled receiving messages related to fraud awareness in 2006, and 86 percent considered the message useful.

Program Activity: Canadian Intellectual Property Office — Revolving Fund

No sub-program or sub-sub-program activities have been identified. Therefore, the lowest reporting level is the program activity level.

Strategic Outcome

An innovative economy

Program Activity: Policy Sector — S&T and Innovation

Sub-Program Activity: Advisory Council on Science and Technology Secretariat

Provision of secretariat services to the Advisory Council on Science and Technology.

Expected Result: Provide the government's Advisory Council on Science and Technology with quality research and support services

Performance Indicators	Results
<ul style="list-style-type: none"> Number of recommendations made to the Minister of Industry and to the Prime Minister on issues related to science, technology, innovation and commercialization policies 	<ul style="list-style-type: none"> The Council delivered three sets of recommendations to the Prime Minister of Canada and the Minister of Industry.

Sub-Program Activity: Strategic Policy Branch — S&T and Innovation

Development of strategic frameworks for science and technology.

Expected Result: Integration of departmental and governmental objectives into the development of innovation policies

Performance Indicators	Results
<ul style="list-style-type: none"> Number of innovation items reviewed by the Senior Policy Committee (assistant deputy minister-level committee) 	<ul style="list-style-type: none"> Five innovation items SPC members met 13 times between April and December 2005. Some of the reviewed items fall under more than one strategic outcome but were counted under only one. Several items were reviewed more than once by SPC members but were counted once.

Sub-Program Activity: Micro-Economic Policy Analysis (MEPA) Branch — S&T and Innovation

Micro-economic analysis in support of science and technology development.

Expected Result: High-quality micro-economic research and analysis on significant policy issues as input to policy development

Performance Indicators	Results
<ul style="list-style-type: none"> Number of <ul style="list-style-type: none"> papers presented at conferences, seminars and round tables conferences, round tables and seminars organized (and number of attendees) research publications current analysis publications hits and downloads for MEPA on Strategis 	<ul style="list-style-type: none"> Seven papers presented at conferences, seminars and round tables Fifteen seminars (nine with 40 to 60 attendees; six with 15 to 25 attendees) 10 papers, two volumes, one bulletin (<i>Micro</i>), six reports prepared for internal use Not available, as the publication was discontinued Total visits to Economic Analysis and Statistics page on Strategis: 217,783 (note that this total is not disaggregated by strategic outcome)

Sub-Program Activity: Innovation Policy Branch — S&T and Innovation	
Development of science, technology and innovation policies to ensure business growth and improved quality of life.	
Expected Result: Increased knowledge/awareness of innovation needs / policy issues	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of new patents filed and granted by industry, government laboratories and universities 	<ul style="list-style-type: none"> ▪ Data is not available on an annual basis; therefore, indicators are being reviewed for next year to better demonstrate results.
Expected Result: Maintain Canada's pool of highly skilled researchers	
Performance Indicators	Results
<ul style="list-style-type: none"> • Growth of highly skilled people in terms of the number of graduates from universities 	<ul style="list-style-type: none"> ▪ Data is not available on an annual basis; therefore, indicators are being reviewed for next year to better demonstrate results.
Sub-Sub-Program Activity: MaRS Discovery District	
To enable a convergence centre for research, business, financial services and venture capital where ideas will be cross-fertilized in order to speed the development of ideas from the scientific research conducted in Toronto's research hospitals and universities to the rapid development of commercial products.	
Expected Result: Enhanced commercialization effectiveness by providing an incubation function that houses a cross section of commercialization agents specializing in the areas of medical and related sciences within the same building	
Performance Indicators	Results
<ul style="list-style-type: none"> • Occupancy of B-1 and B-2 buildings by a mix of venture capitalists, banks, start-ups and university commercialization specialists 	<ul style="list-style-type: none"> ▪ Funding to MaRS was terminated on March 31, 2005.
Sub-Sub-Program Activity: Canadian Institute for Advanced Research (CIAR)	
To bring together world-class researchers to tackle significant issues confronting Canadian society and challenging our understanding of the natural world.	
Expected Result: Multidisciplinary teams of researchers are able to collaborate to push forward the frontiers of knowledge	
Performance Indicators	Results
<ul style="list-style-type: none"> • The amount of national and international recognition and awards provided to those researchers involved with CIAR 	<ul style="list-style-type: none"> ▪ CIAR program members were awarded: <ul style="list-style-type: none"> ○ 14 international awards and prizes in 2004 and 2005 ○ 26 Canadian awards and prizes in 2004 and 2005
Sub-Sub-Program Activity: Pierre Elliott Trudeau Foundation	
To support research and dissemination of research findings in the following fields of study in the humanities and human sciences: Canadian studies, history, international relations, journalism, law, peace and conflict studies, philosophy, political economy, political science, sociology, and urban and community.	
Expected Result: Expanded knowledge base in the social sciences, humanities and public policy	
Performance Indicators	Results
<ul style="list-style-type: none"> • The volume of research performed by award recipients 	<ul style="list-style-type: none"> ▪ 28 scholarly activities, including authorship/editorship of books, articles and presentations at conferences

Sub-Sub-Program Activity: Canada Foundation for Innovation (CFI)	
Funds targeted to strengthen the capability of Canadian universities, colleges, research hospitals, and other non-for-profit institutions to carry out world-class research and technology development.	
Expected Result: The strengthening of research capability at Canadian research institutions	
Performance Indicators	Results
<ul style="list-style-type: none"> Percentage of Innovation Fund recipients that rate the quality of their new infrastructure as near world-class or better as a result of CFI awards 	<ul style="list-style-type: none"> Due to CFI's reporting procedure with research institutions, the 2005–06 results will not be available before November 2006.
Expected Result: Attracting and retaining researchers at Canadian research institutions	
Performance Indicators	Results
<ul style="list-style-type: none"> Percentage of New Opportunities Fund and Canada Research Chairs Fund recipients whose recruitment to Canada and/or retention in Canada was influenced by CFI awards 	<ul style="list-style-type: none"> Due to CFI's reporting procedure with research institutions, the 2005–06 results will not be available before November 2006.
Sub-Sub-Program Activity: Canada-Israel Industrial Research and Development Foundation (CIIRDF)	
Co-funding of a private sector foundation (50 percent contribution from Canada, 50 percent from Israel), which supports research and development collaboration between Canadian and Israeli firms.	
Expected Result: Strengthened Canadian business through global R&D cooperation	
Performance Indicators	Results
<ul style="list-style-type: none"> The increase of employment at firms that have CIIRDF-funded projects 	<ul style="list-style-type: none"> Data is not available, as the responsibility was moved to the Department of Foreign Affairs and International Trade.

Program Activity: Industry Sector — S&T and Innovation

Sub-Program Activity: Manufacturing Industries Branch — S&T and Innovation	
Development of policies and programs that stimulate R&D to accelerate the commercialization of emerging technologies in priority manufacturing sectors.	
Expected Result: Sustainable manufacturing practices	
Performance Indicators	Results
<ul style="list-style-type: none"> Number of lean manufacturing workshops, and workshops related to sustainable manufacturing 	<ul style="list-style-type: none"> Two presentations delivered at the Sustainable Development Workshop and the Excellence in Manufacturing Consortium conferences on lean manufacturing One lean manufacturing workshop as part of Industry Canada's sustainable development course One workshop on sustainable manufacturing partnered with McGill University
<ul style="list-style-type: none"> Number of business success stories developed 	<ul style="list-style-type: none"> Six lean manufacturing success stories: <ul style="list-style-type: none"> JDS Uniphase, Micro-Optic Assembly Line Barrick Gold Cascades Canada Post Passport Canada Royal Canadian Mint <p>Note: Visit strategis.gc.ca for more information.</p>

<ul style="list-style-type: none"> • Number of times the Web site on this topic is accessed 	<ul style="list-style-type: none"> ▪ 331,456 visitors to the Branch's general Web site, with the following breakdown: <ul style="list-style-type: none"> ○ Canadian Resource Guide to High Performance Manufacturing: 46,846 ○ Solutions for Advanced Manufacturing: 29,722 ○ Technology Roadmaps: 64,528
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Sub-Program Activity: Energy and Marine Branch — S&T and Innovation

Development of policies and programs that stimulate R&D to accelerate the commercialization of emerging technologies in priority energy and marine sectors.

Expected Result: Development of emerging technologies in energy and marine sectors

Performance Indicators	Results
<ul style="list-style-type: none"> • Revenues 	<ul style="list-style-type: none"> ▪ Hydrogen / fuel cells: \$133 million ▪ Wind: \$274 million
<ul style="list-style-type: none"> • Number of jobs created and/or maintained 	<ul style="list-style-type: none"> ▪ Hydrogen / fuel cells: 2,056 jobs ▪ Wind: 815 jobs
<ul style="list-style-type: none"> • Number of exports 	<ul style="list-style-type: none"> ▪ \$120 million worth of hydrogen and fuel cell export ▪ Currently no data is collected on the number of wind exports, as it is a new and emerging industry, and companies are primarily in the R&D stage.
<ul style="list-style-type: none"> • Number of patents 	<ul style="list-style-type: none"> ▪ Hydrogen: 581 patents ▪ Currently no data is collected on the number of wind exports, as it is a new and emerging industry, and companies are primarily in the R&D stage.

Sub-Sub-Program Activity: Technology and Innovation Initiative (Hydrogen Economy)

Expected Result: Expanded knowledge base for climate change mitigation related to a hydrogen economy

Performance Indicators	Results
<ul style="list-style-type: none"> • Number of research projects, scientific and technological studies, and strategic plans 	<ul style="list-style-type: none"> ▪ Eight new initiatives to support areas related to planning, coordination, policy analysis and development in the following areas: <ul style="list-style-type: none"> ○ communications and outreach ○ technology research and development ○ commercialization and diffusion ○ public-private sector partnerships and international collaborations

Expected Result: Increased collaboration between partners and improved activity coordination	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of integrated working models, interdepartmental programs and partnerships 	<ul style="list-style-type: none"> ▪ Co-chaired the federal Hydrogen and Fuel Cell Committee (H2FCC) and managed the committee's business plan ▪ Undertook the Hydrogen Economy Initiative's mid-term evaluation and progress report ▪ Published <i>Towards a National Hydrogen and Fuel Cell Strategy: A Discussion Document for Canada</i>, and hosted two broad-based stakeholder consultation sessions ▪ Committees and working groups include: <ul style="list-style-type: none"> ○ Hydrogen and Fuel Cell Committee ○ National Hydrogen and Fuel Cell Strategy and Working Group ○ R&D Committee (developing new model for R&D delivery), Canada–U.S. R&D Working Group ○ Interdepartmental Communications Working Group

Sub-Program Activity: Sustainable Technologies and Service Industries Branch — S&T and Innovation	
Development of policies and programs that stimulate R&D to accelerate the commercialization of priority environmental technologies.	
Expected Result: Improved appreciation of issues and policies related to climate change	
Performance Indicators	Results
<ul style="list-style-type: none"> • Stakeholder involvement 	<ul style="list-style-type: none"> ▪ Engaged and consulted stakeholders through participation in the development of government policies on domestic initiatives concerning emissions reductions and adaptation and international negotiating positions on market mechanisms, as well as in dissemination of government action and policy positions at international events such as at the United Nations Conference of the Parties on Climate Change in Montréal in November.
<ul style="list-style-type: none"> • Adoption of policy recommendations 	<ul style="list-style-type: none"> ▪ Data not available, as it is difficult to accurately measure the number of policy recommendations adopted. Therefore, the indicator is being revised for future reporting.

Sub-Program Activity: Aerospace and Automotive Branch — S&T and Innovation	
Development of policies and programs that stimulate R&D to accelerate the commercialization of emerging technologies in priority aerospace, defence and automotive sectors.	
Expected Result: Development of Canadian technologies and innovations in the aerospace, space, automotive and defence industries	
Performance Indicators	Results
• Revenues	<ul style="list-style-type: none"> ▪ For automotive: \$33 billion ▪ For aerospace, space and defence: \$21.7 billion
• Number of jobs created and/or maintained	<ul style="list-style-type: none"> ▪ For automotive: 101,000 jobs created or maintained ▪ For aerospace, space and defence: 73,000 jobs created or maintained
<ul style="list-style-type: none"> • Number of exports • Number of policies and programs developed and approved in support of S&T 	<ul style="list-style-type: none"> ▪ For automotive: 2,600,600, or \$79.6 billion ▪ For aerospace, space and defence: \$18.2 billion. Data on the number of export transactions has not been collected.
• Number of patents	<ul style="list-style-type: none"> ▪ Data is not available, as the indicator does not reflect activities in these industries. The indicator is currently being revised for future reporting.

Sub-Program Activity: Life Sciences Branch — S&T and Innovation	
Development of policies that stimulate R&D and commercialization in the life sciences sector.	
Expected Result: Increased commercialization performance in Canada's life sciences (biotechnology and health) industries	
Performance Indicators	Results
• Number of companies with less than two years of financing	<ul style="list-style-type: none"> ▪ Total number of biopharmaceutical companies: 190 ▪ Of the total 80 public companies, 55 have less than two years of cash for operations.
• Number and value of investments	<ul style="list-style-type: none"> ▪ Venture capital funds raised and number of investments for calendar year 2005: <ul style="list-style-type: none"> ○ Life sciences sector: \$446.65 million and 328 deals ○ Biopharmaceutical sector: \$343.84 million and 234 deals ○ Health care sector: \$14.37 million and 15 deals ○ Medical devices and equipment: \$77.04 million and 57 deals ○ Medical/biotechnological software and information services: \$11.39 million and 22 deals

Sub-Sub-Program Activity: Genome Canada

The Industry Sector has oversight responsibility on the funding agreement with Genome Canada on behalf of the Government of Canada, and acts as an advocate for the genomics and proteomics industry.

Expected Result: Effective management of the government's funding agreement with Genome Canada

Performance Indicators	Results
• Submissions for funding appropriations	▪ Funding provided in Budget 2005 for three years
• Negotiations with Treasury Board of Canada, Secretariat and the Department of Finance Canada	▪ Negotiations expected in 2007–08
• Renewal of Genome Canada's mandate and funding	▪ Next renewal expected in 2007–08

Sub-Program Activity: Industrial Analysis Branch — S&T and Innovation

Support the development of policies and programs for priority sectors by undertaking policy analysis and research on issues related to the commercialization of emerging technologies.

Expected Result: Improved appreciation of industrial issues and policies involved in making the Canadian economy more innovative

Performance Indicators	Results
• Extent to which the Branch raised and prioritized industrial policy issues	<ul style="list-style-type: none"> ▪ Led Industry Sector efforts in support of the transition to the new government ▪ The Smart Regulation implementation strategy, which is a government-wide initiative aimed at improving the Government of Canada's regulatory system to keep pace with today's realities and evolving needs
• Stakeholder involvement	▪ Data is not available, as no interviews, surveys or questionnaires were developed to gather and track this information due to shifting priorities.
• Adoption of policy recommendations	▪ Data is not available, as it is difficult to accurately measure the number of policy recommendations adopted. Therefore, the indicator is being revised for future reporting.

Sub-Program Activity: Canadian Biotechnology Secretariat	
Horizontal policy advice and program management in support of Canadian Biotechnology Strategy partner departments and agencies, and secretariat services to the Canadian Biotechnology Advisory Committee.	
Expected Result: Coordination of the development of the Government of Canada biotechnology agenda	
Performance Indicators	Results
<ul style="list-style-type: none"> • Secretariat support to interdepartmental collaboration on biotechnology policy issues and implementation 	<ul style="list-style-type: none"> ▪ Draft biotechnology policy framework developed ▪ Coordinated interdepartmental work on biotechnology regulatory requirements ▪ Led the CBS Fund work plan for 2005–06 and developed the work plan for the next fiscal period ▪ Launched BioNetwork (federal government knowledge management tool), which now has more than 275 participants across the Government of Canada and hosts the enhanced BioPortal, the single-window public access to all Government of Canada biotechnology information. The BioNetwork is a service for the federal biotechnology community. Within the BioNetwork, eight topic-specific communities of practice share information and manage knowledge electronically. These communities are smaller subsets of the larger BioNetwork population (which has more than 350 members); a typical BioNetwork community of practice has 20 to 30 members.
Expected Result: Support to the Canadian Biotechnology Advisory Committee	
Performance Indicators	Results
<ul style="list-style-type: none"> • Stakeholder consultations held and report released 	<ul style="list-style-type: none"> ▪ CBAC Dialogue Tool published the <i>Dialogue Tool Kit</i>, a made-in-Canada approach to explore contentious issues related to biotechnology ▪ Report and recommendations on human genetic materials, intellectual property and the health sector. The report is based on the Expert Working Party report <i>Human Genetic Materials: Making Canada's Intellectual Property Regime Work for the Health of Canadians</i>. The report included five sectoral consultations and one multi-stakeholder consultation.
<ul style="list-style-type: none"> • Research commissioned and reports released 	<ul style="list-style-type: none"> ▪ Human genetic material, intellectual property and the health sector: commissioned research in five areas, including the breadth of human gene patents, Canadian views on patenting biotechnology and copyright science ▪ Initiated a major new study on the bioeconomy: <i>Biotechnology and Sustainable Development</i> ▪ Released a regular newsletter, <i>BioTech Watch</i> ▪ Completed CBAC 2004 annual report

Expected Result: Communication of the Government of Canada's Biotechnology Initiative	
Performance Indicators	Results
<ul style="list-style-type: none"> • Advice provided to the Government of Canada 	<ul style="list-style-type: none"> ▪ Published major analyses to contribute to biotechnology policy development (e.g. The Conference Board of Canada report completed and released at BioNorth) ▪ Engaged decision-makers at the conference on ethics in regulatory decision making ▪ Public opinion research was produced that identified key areas of research, and a survey tool was finalized for domestic and international use.
<ul style="list-style-type: none"> • Expanded content of BioPortal 	<ul style="list-style-type: none"> ▪ Enhanced and promoted BioPortal, the single-window public access to all Government of Canada biotechnology information: <ul style="list-style-type: none"> ○ Developed new BioGov sub-site ○ Developed and implemented new graphic design ○ Promoted BioPortal at the American Association for the Advancement of Science (AAAS) convention and BIO 2006

Program Activity: Spectrum, Information Technologies and Telecommunications (SITT) Sector — S&T and Innovation

Sub-Program Activity: Information and Communications Technologies Branch — S&T and Innovation

Strengthens Canada's science and technology capacity by addressing human resource requirements, international linkages and commercialization issues. Delivers CANARIE and Precarn on behalf of the Government of Canada.

Expected Result: Improved Canadian ICT science and technology capacity

Performance Indicators	Results
<ul style="list-style-type: none"> • Number of tools available to researchers for project research 	<ul style="list-style-type: none"> ▪ Number of designs that CMC Microsystems enabled manufacturing of: 342 ▪ Number of microchips/systems tested: 285 ▪ Number of graduate courses: 154 ▪ Number of undergraduate courses: 258 ▪ Number of faculty members and graduate students supported: more than 2,300
<ul style="list-style-type: none"> • Number of university research projects involving SMEs 	<ul style="list-style-type: none"> ▪ Total number of companies participating in 2005: 1,058

Sub-Sub-Program Activity: CANARIE	
Collaborates with stakeholders to develop and use advanced networks, networking technologies and applications in order to deliver a range of benefits to Canadians and researchers.	
Expected Result: Effective access to an advanced research network (CA*net 4) within all regions of Canada, linking research partners nationally and internationally	
Performance Indicators	Results
• Number of Canadian institutions that can access CA*net 4	▪ 200 research facilities
• Level of capabilities available to users to access CA*net 4	▪ Ultra-high-speed network (40 Gb/sec.)
• Number and type of international links	▪ 56 international peer networks
Expected Result: Creation of new technologies, products and services associated with next-generation wavelength-specific networks	
Performance Indicators	Results
• Number of new technologies, products and services	▪ Nine projects commissioned to develop advanced networking tools
Sub-Sub-Program Activity: Precarn	
Supports collaborative research for the development of the Canadian intelligent systems industry and encourages the diffusion and commercial exploitation of new technologies.	
Expected Result: Increased adoption/use of intelligent systems technologies	
Performance Indicators	Results
• Number of firms using technology supported by Precarn	▪ 31 firms in Phase 3 ▪ 6 firms in Phase 4
Expected Result: Continued development and commercialization of Canadian intelligent systems technologies	
Performance Indicators	Results
• Number of new products made with Canadian intelligent systems technologies	▪ 37 new prototypes
• Sales/revenues of Canadian intelligent systems technologies	▪ Data currently not available; database currently being developed to track this information
Expected Result: Creation of a supply of highly qualified personnel in the field of intelligent systems and robotics	
Performance Indicators	Results
• Number of university graduates in the field of intelligent systems and robotics	▪ Precarn supported 105 graduates in 2005–06.
• Number of experts in the fields of intelligent systems and robotics	▪ More than 5,000

Program Activity: Communications Research Centre Canada (CRC)**Sub-Program Activity: CRC — Wireless and Photonics Research**

To conduct R&D on innovative concepts, systems and enabling technologies for the convergence of telecommunications systems, and to improve the security, interoperability and reliability of communications networks in Canada.

Expected Result: CRC is well positioned to provide strategic advice and direct assistance for the development of policy, regulations and standards, as well as economic development in the telecommunications sector, as new technical developments and challenges arise

Performance Indicators	Results
<ul style="list-style-type: none"> • CRC participation on Industry Canada, national and international standards, policy and regulatory committees as technical experts 	<ul style="list-style-type: none"> ▪ Value of directed research carried out for Industry Canada's SITT sector: more than \$2 million ▪ CRC participated in ITU working groups as co-chair or technical members (radio and broadcasting). ▪ CRC is co-chair of the IEEE 802.22 working group.
<ul style="list-style-type: none"> • CRC participation in Industry Canada and other government industrial support programs as technical experts 	<ul style="list-style-type: none"> ▪ CRC evaluated TPC and Natural Sciences and Engineering Research Council of Canada (NSERC) grant proposals for selection related to ICTs.

Sub-Program Activity: CRC — Defence R&D

To provide scientific knowledge and expertise in wireless communications to National Defence in order to improve decision making and operational capability of the Canadian Forces (CF).

Expected Result: National Defence can make better and more informed decisions on new technologies related to future military communications systems

Performance Indicators	Results
<ul style="list-style-type: none"> • Technologies are adopted that enhance or provide new capabilities for CF operations 	<ul style="list-style-type: none"> ▪ Directed research projects valued at \$5.66 million (including recovered salaries) were carried out for the Department of National Defence. ▪ The Canadian Navy has tried and is implementing CRC-developed subnet relay technology, which will provide inter-ship wireless Internet Protocol network capability.

Sub-Program Activity: CRC — Research Support

To provide business development, technology transfer, and information networks and systems support of CRC R&D efforts, liaison and collaboration with the international science and technology community; and to increase opportunities for the commercialization of technologies.

Expected Result: Canadian telecommunications industry has knowledge of and efficient access to CRC's intellectual property portfolio

Performance Indicators	Results
<ul style="list-style-type: none"> • Industrial partnerships and revenue resulting from CRC's intellectual property portfolio, as well as communication of its technical capabilities 	<ul style="list-style-type: none"> ▪ CRC manages the Technology Transfer Office as a primary point of contact for intellectual property and other contractual agreements. ▪ Total external revenues for the 2005–06 fiscal year was \$2.71 million.

Program Activity: Technology Partnerships Canada (TPC)

Sub-Program Activity: TPC — Research and Development Program	
Strategic investments in pre-competitive development projects for the economic, social and environmental benefit of all Canadians.	
Expected Result: Leverage of private sector R&D investment	
Performance Indicators	Results
• Weighted average (by value) TPC sharing ratio	▪ 30.5 percent
• Dollars of total innovation spending leveraged per dollar of TPC investment	▪ \$2.83
Expected Result: Increased skills, knowledge and competencies of Canadian companies	
Performance Indicators	Results
• Number of new jobs created and/or maintained	▪ 5,020
Expected Result: Repayments recycled into program funds	
Performance Indicators	Results
• Repayment amount relative to TPC Business Plan Target	▪ \$75.2 million

Sub-Program Activity: TPC — h2 Early Adopters Program	
Investments in new hydrogen technology demonstration projects that will lead to a hydrogen economy for Canada.	
Expected Result: Accelerate the market adoption of hydrogen and hydrogen-compatible technologies	
Performance Indicators	Results
• Number of participants involved in demonstration projects	▪ Five
Expected Result: Leverage of private sector research and development investment	
Performance Indicators	Results
• Weighted average (by value) TPC sharing ratio	▪ 49.68 percent
• Dollars of total innovation spending expected, leveraged per dollar of TPC investment	▪ \$1.0142

Strategic Outcome

Competitive industry and sustainable communities**Program Activity: Policy Sector — Economic Development****Sub-Program Activity: International and Intergovernmental Affairs — Economic Development**

Impact of international trade, investment and services negotiations on industry interests identified and assessed.

Expected Result: Alignment of federal and provincial innovation, industrial development and competitiveness policy

Performance Indicators	Results
<ul style="list-style-type: none"> • Number of ministerial, deputy ministerial, and steering group meetings. • Number of memos to the Minister and Deputy Minister 	<ul style="list-style-type: none"> ▪ Five meetings (does not include bilateral meetings) ▪ 22 memoranda

Expected Result: Engaging the provinces to remove internal trade barriers

Performance Indicators	Results
<ul style="list-style-type: none"> • Number of meetings at the ministerial, deputy ministerial, and federal–provincial officials' level 	<ul style="list-style-type: none"> ▪ 35 meetings

Expected Result: Integration of departmental interests into the government's international policy positions

Performance Indicators	Results
<ul style="list-style-type: none"> • Number of trade-related Memoranda to Cabinet approved by cabinet committees 	<ul style="list-style-type: none"> ▪ Four Memoranda to Cabinet, including trade issues ranging from the WTO Doha Round, Canada–Korea and Can-Trade (trade promotion, provided ministerial direction on key trade initiatives)
<ul style="list-style-type: none"> • Number of international trips and missions coordinated for the Minister 	<ul style="list-style-type: none"> ▪ One international trip
<ul style="list-style-type: none"> • Number of Cabinet briefings on international issues 	<ul style="list-style-type: none"> ▪ 21 Cabinet briefings

Expected Result: Timely processing of notifications and applications for review filed by foreign investors under the *Investment Canada Act*

Performance Indicators	Results
<ul style="list-style-type: none"> • Time required to process notifications and applications 	<ul style="list-style-type: none"> ▪ Average of 15 days for notifications ▪ Average of 48.5 days for applications

Sub-Program Activity: Strategic Policy Branch — Economic Development

Development of strategic frameworks for economic development.

Expected Result: Integration of departmental and governmental objectives into the development of economic and sustainable development policies

Performance Indicators	Results
<ul style="list-style-type: none"> • Number of economic development and sustainable development items reviewed by the Senior Policy Committee (assistant deputy minister-level committee) 	<ul style="list-style-type: none"> ▪ Seven items reviewed ▪ SPC members met 13 times between April and December 2005. Some of the reviewed items fall under more than one strategic outcome but were counted under only one. Several items were reviewed more than once by SPC members but were counted once.

Sub-Sub-Program Activity: Sustainable Development Strategy	
Development and implementation of a three-year sustainable development strategy for Industry Canada.	
Expected Result: Increased commercialization and adoption of eco-efficient tools and technologies by Canadian companies	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of Canadian companies that have <ul style="list-style-type: none"> • adopted ISO 14000 • produced sustainability reports 	<ul style="list-style-type: none"> ▪ 1,492 Canadian companies have adopted ISO 14000 ▪ 114 reports
Expected Result: Increased use by industry, institutions and communities of corporate responsibility and sustainability practices	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of Canadian companies that have <ul style="list-style-type: none"> • adopted ISO 14000 • produced sustainability reports 	<ul style="list-style-type: none"> ▪ 1,492 Canadian companies have adopted ISO 14000 ▪ 114 reports

Sub-Program Activity: Micro-Economic Policy Analysis (MEPA) Branch — Economic Development	
Micro-economic analysis in support of economic policy development.	
Expected Result: High-quality micro-economic research and analysis on significant policy issues as input to policy development	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of <ul style="list-style-type: none"> • papers presented at conferences, seminars and round tables • conferences, round tables and seminars organized (and number of attendees) • research publications • current analysis publications • hits and downloads for MEPA on Strategis 	<ul style="list-style-type: none"> ▪ Four papers presented at conferences ▪ Seven seminars ▪ Two papers, two volumes, four reports for internal use, one newsletter ▪ Six issues of monthly bulletins issued prior to their being discontinued ▪ Total visits to Economic Analysis and Statistics page on Strategis: 217,783 (total not disaggregated by strategic outcome)

Sub-Program Activity: Small Business Policy Branch	
Policy advice on small business issues.	
Expected Result: Increased awareness and use of information relating to small business issues by policy makers and other small business stakeholders	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number and quality (i.e. accuracy, timeliness, responsiveness and clarity) of references to small business issues in policy and program instruments (e.g. Memoranda to Cabinet, <i>aides-mémoire</i>, Treasury Board submissions) 	<ul style="list-style-type: none"> ▪ Contributed to 19 small business policy and research-related documents and enquiries ▪ Provided numerous accurate and timely responses to requests for information ▪ Contributed quality information and data to policy and program instruments relating to small business issues

Program Activity: Operations Sector — Economic Development

Sub-Program Activity: Canada Small Business Financing Program

Administration of the *Canada Small Business Financing Act* and the *Small Business Loans Act*.

Expected Result: Access to debt financing for SMEs

Performance Indicators	Results
• Number of loans	▪ 10,864 loans registered
• Value of loans	▪ \$1.1 billion in registered loans
• Incrementality	▪ 76.5 percent of CSBF borrowers surveyed obtained some degree of financial incrementality

Sub-Program Activity: Federal Economic Development Initiative for Northern Ontario

Economic stability, growth, diversification, job creation and sustainable communities in Northern and rural Ontario.

Expected Result: Strengthened community capacity for economic development in Northern and rural Ontario through community-based strategic economic planning and implementation

Performance Indicators	Results
• Evidence of communities implementing strategic economic plans and community-based projects	▪ FedNor invested \$11.6 million toward the implementation of 233 strategic economic plans and community-based projects

Expected Result: Improved business competitiveness in Northern and rural Ontario through support for initiatives to retain and expand existing businesses and encourage new business start-ups

Performance Indicators	Results
• Number of businesses created and maintained	▪ 3,271
• Number of jobs created and maintained	▪ 8,061

Sub-Sub-Program Activity: Community Futures Program

Community economic development in rural Ontario.

Expected Result: Improved SME access to capital and leveraged capital for higher-risk ventures through Community Futures Development Corporation (CFDC) investments in businesses

Performance Indicators	Results
• Total number (and trends) and value of investments	▪ \$47.4 million invested in 1,140 projects
• Funds leveraged by CFDC funding	▪ \$88.1 million
• Number of jobs created or maintained as a result of CFDC investments	▪ 8,061

Sub-Sub-Program Activity: FedNor — (Regional and Community Development) Northern Ontario Development Program	
Regional and community development in Northern Ontario.	
Expected Result: Improved retention and development of youth to help increase business competitiveness, as well as community capacity and response to local economic development opportunities and challenges	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of internships and percentage of interns finding long-term employment upon conclusion 	<ul style="list-style-type: none"> ▪ 225 internships ▪ 56 percent
Expected Result: Enhanced technology infrastructure and innovation through strategic and targeted support	
Performance Indicators	Results
<ul style="list-style-type: none"> • Percentage of projects enhancing technology infrastructure and innovation 	<ul style="list-style-type: none"> ▪ 17.6 percent
Expected Result: Improved business and trade skills through FedNor-supported counselling and training activities	
Performance Indicators	Results
<ul style="list-style-type: none"> • Client satisfaction with training, counselling and workshops 	<ul style="list-style-type: none"> ▪ 148 participants took part in 10 trade seminars/workshops. ▪ Participants felt the sessions were worthwhile.

Sub-Program Activity: Sectoral Strategies and Services Branch / Canada-Ontario Infrastructure Program	
Improved community infrastructure through investments in rural and municipal infrastructure in Ontario, with an emphasis on green municipal infrastructure, such as water and waste-water systems.	
Expected Result: Improved community infrastructure in Ontario	
Performance Indicators	Results
<ul style="list-style-type: none"> • Percentage of Ontario population that has benefited from investments made under COIP 	<ul style="list-style-type: none"> ▪ 83 percent

Sub-Program Activity: Aboriginal Business Canada (ABC)	
Creation and expansion of viable businesses in Canada owned and controlled by Aboriginal people.	
Expected Result: The creation and expansion of viable businesses in Canada owned and controlled by Aboriginal people	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of businesses established 	<ul style="list-style-type: none"> ▪ 289
<ul style="list-style-type: none"> • Number of businesses expanded 	<ul style="list-style-type: none"> ▪ 287
<ul style="list-style-type: none"> • Funds leveraged with ABC funding 	<ul style="list-style-type: none"> ▪ Every \$1.00 invested by ABC through direct equity investment resulted in an additional investment from other sources of \$2.65 in the Aboriginal economy. The \$22.2 million in direct equity investments made in the year just ended resulted in a total investment, from all sources, of \$82.9 million in Aboriginal business growth, and in the Canadian economy overall.
<ul style="list-style-type: none"> • Survival rate of businesses supported by ABC 	<ul style="list-style-type: none"> ▪ 92.9 percent
<ul style="list-style-type: none"> • Yield on Aboriginal Capital Corporation (ACC) loans 	<ul style="list-style-type: none"> ▪ 6.93 percent

Sub-Program Activity: Regional Delivery	
Delivery of programs and services across Canada.	
Expected Result: Enhanced client/stakeholder/partner access to Industry Canada programs and services	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of companies commercializing new product technologies 	<ul style="list-style-type: none"> ▪ Industry Canada has not been able to collect this data. See results for TPC under the strategic outcome “An Innovative Economy.”
<ul style="list-style-type: none"> • Post-event feedback from clients and stakeholders (related to connectedness, broadband, investment workshops hosted by ICT and Information Highway Applications Branch) 	<ul style="list-style-type: none"> ▪ 90-percent satisfaction rate
<ul style="list-style-type: none"> • Documented community success stories (related to Broadband, the Community Access Program and SchoolNet programs) 	<ul style="list-style-type: none"> ▪ 93
<ul style="list-style-type: none"> • Number of clients participating in programs delivered by the regions 	<ul style="list-style-type: none"> ▪ Spectrum management: more than 65,000 licensees ▪ CAP: more than 3,900 CAP sites ▪ Broadband pilot project: more than 500 applicants ▪ Interactions with clients through CBSCs: more than 42,000 in Ontario; more than 1,000 in the Yukon; more than 600 in the Northwest Territories; and more than 200 in Nunavut.
Expected Result: Improved departmental knowledge of regional circumstances and perspectives	
Performance Indicators	Results
<ul style="list-style-type: none"> • Feedback on regional support, advice and intelligence from the Minister’s Office and senior management 	<ul style="list-style-type: none"> ▪ More than 90 regional visits were conducted by Industry Canada senior management, the Minister and the Secretary of State for the period covered. When feedback was given, the Minister’s Office and senior management indicated a high degree of satisfaction regarding the information, advice and intelligence prepared and provided by the regional offices for these events.

Sub-Program Activity: Section 41 — Official Languages Act	
Improved participation by official-language minority communities (OLMCs) in existing federal economic development programs and services.	
Expected Result: Encourage participation of OLMCs in Industry Canada programs	
Performance Indicators	Results
<ul style="list-style-type: none"> • The level of participation of OLMCs in Industry Canada programs 	<ul style="list-style-type: none"> ▪ Four national organizations, representing more than 80 organizations, are aware of and informed about Industry Canada’s programs.
<ul style="list-style-type: none"> • The level of funding OLMCs have received from Industry Canada 	<ul style="list-style-type: none"> ▪ Industry Canada’s total investments, excluding initiatives under the federal Action Plan for Official Languages: \$7.9 million ▪ Investments under the federal Action Plan for Official Languages (does not include investments made via Language Industry Program): \$2.95 million

<ul style="list-style-type: none"> • The level of funding leveraged from Industry Canada partners 	<ul style="list-style-type: none"> ▪ Francommunautés virtuelles program: \$0.6-million investment from Industry Canada leveraged more than \$1.2 million ▪ Canada-Ontario Infrastructure Program: \$124.6-million investment from Industry Canada leveraged more than \$250 million
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Program Activity: Industry Sector — Economic Development

Sub-Program Activity: Manufacturing Industries Branch — Economic Development Development of policies and programs that stimulate R&D to accelerate the commercialization of emerging technologies in priority manufacturing sectors.	
Expected Result: Enhance international competitiveness and production of established industries (e.g. apparel and textiles, softwood lumber, steel, plastics and chemicals)	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of market opportunities pursued for Canadian companies 	<ul style="list-style-type: none"> ▪ Pursued six commercial lead market opportunities for textiles in 2005–06 ▪ 12- to 14-percent increase in trade leads for building products ▪ 560 opportunities pursued by Canadian companies in the chemicals and plastics industries
<ul style="list-style-type: none"> • Number of initiatives launched into key export markets 	<ul style="list-style-type: none"> ▪ Textiles sector: three initiatives ▪ Apparel sector: two initiatives ▪ Building products sector: four initiatives ▪ Chemical and plastics industries: 11 initiatives
Sub-Sub-Program Activity: Canadian Apparel and Textile Industries Program Work in partnership with apparel and textile companies so they can become more innovative and pursue market opportunities.	
Expected Result: Increased competitiveness of Canadian apparel and textile firms	
Performance Indicators	Results
<ul style="list-style-type: none"> • Dollar value of contribution agreements 	<ul style="list-style-type: none"> ▪ Approximately \$6 million in 2005–06 and \$19 million since the program's inception <p>Note: Dollar values do not include portion of program delivered in Quebec by Canada Economic Development for Quebec Regions.</p>
Sub-Sub-Program Activity: Softwood Industry Community Economic Adjustment Initiative Creation of long-term sustainable economic benefits in regions and communities impacted by the U.S. duties on softwood lumber, by funding projects that will improve economic diversification and decrease dependency on softwood industries.	
Expected Result: Community capacity building: reports on community needs, etc. accepted and adopted by the community	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of needs reports, etc. accepted per number of reports produced 	<ul style="list-style-type: none"> ▪ Nil, as the program ended on March 31, 2005
Expected Result: Community action plans accepted and adopted	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of reports funded/completed per number of communities 	<ul style="list-style-type: none"> ▪ Nil, as the program ended on March 31, 2005

Expected Result: Diversification / productivity improvements / new economic opportunities: businesses developed/expanded/maintained	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of new and expanded businesses developed and existing businesses maintained 	<ul style="list-style-type: none"> ▪ Nil, as the program ended on March 31, 2005
Expected Result: Value-added or diversified products produced	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of new products brought to market 	<ul style="list-style-type: none"> ▪ Nil, as the program ended on March 31, 2005

Sub-Program Activity: Energy and Marine Branch — Economic Development	
Development of policies and programs that support global competitiveness and sustainable economic growth in priority energy and marine sectors, and energy- and marine-related emerging technologies by promoting trade, investment and efficient regulation.	
Expected Result: Competitiveness and growth in mature energy and marine industries	
Performance Indicators	Results
<ul style="list-style-type: none"> • Maintaining and increasing market share in electric power, oil and gas, and the shipbuilding industries 	<ul style="list-style-type: none"> ▪ Market share information is unavailable. The following numbers reflect the trade balance for the sectors: <ul style="list-style-type: none"> ○ Oil and gas equipment and services: \$168.5 million ○ Electric power equipment and services: \$29 million ○ Shipbuilding: <ul style="list-style-type: none"> ▪ Revenues: \$540 million ▪ 700 jobs ▪ The information is related to the exact market share; therefore, the information provided reflects the trade balance for these sectors.
<ul style="list-style-type: none"> • Number of contacts between Canadian suppliers and foreign buyers initiated by Industry Canada (as reported through follow-up inquiries) 	<ul style="list-style-type: none"> ▪ Information not available due to company concerns with privacy
<ul style="list-style-type: none"> • Amount of Shipbuilding and Industrial Marine Advisory Council (SIMAC) stakeholder involvement in policy development (number of discussion papers/presentations developed by SIMAC) 	<ul style="list-style-type: none"> ▪ Meeting of select SIMAC members ▪ Full SIMAC meeting with Minister ▪ Three discussion papers/presentations made by SIMAC ▪ Minister invited by shipbuilding industry to propose a framework as part of the policy review process ▪ SIMAC formed an ad hoc committee.

Expected Result: Capabilities of Canadian companies promoted to international markets	
Performance Indicators	Results
<ul style="list-style-type: none"> • Awareness among international stakeholders of Canada's capabilities in the energy and marine sectors 	<ul style="list-style-type: none"> ▪ Energy sector: <ul style="list-style-type: none"> ○ Business development mission to India ○ TEAM event in India ○ Canadian Oil and Gas Pipeline Mission to Mexico, in collaboration with the Alberta government and International Trade Canada (ITCan) ○ PowerGen, an international electric power and service trade show ○ Global Petroleum Show 2005: in collaboration with Export Development Canada, ITCan, and provincial governments ○ Urban sustainability mission to China ○ Organized a Canadian pavilion and reception at Offshore Europe 2005 ○ Led a working group of other government departments and provincial governments for Offshore Technology Conference 2005 ▪ Marine sector: <ul style="list-style-type: none"> ○ Promoted awareness of Canadian capabilities in international forums and attended and exhibited at three marine trade shows (booths at Norshipping, Norway, and Seatrade, Miami); distributed a directory of cruise industry companies and their capabilities; participated in Pacific Marine Expo, Seattle. Strategis/Canadian Company Capabilities was also marketed through handouts, displays and presentations.
<ul style="list-style-type: none"> • Number of partnerships pursued between domestic and international firms 	<ul style="list-style-type: none"> ▪ Information not available, as partners had concerns with sharing information and transaction time lag

<p>Sub-Sub-Program Activity: Structured Financing Facility (SFF) Stimulate economic activities in the Canadian shipbuilding and industrial marine industry by providing financial assistance to buyers/lessees of Canadian-built ships.</p>	
<p>Expected Result: Increased awareness/knowledge about SFF Benefits</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of hits on Web site 	<ul style="list-style-type: none"> ▪ 3,048 visits were made to the SFF Web site
<ul style="list-style-type: none"> • Number of information packages, pamphlets or brochures used 	<ul style="list-style-type: none"> ▪ Approximately 20 information kits were distributed to potential applicants. ▪ This indicator is not a good measure of provision of information on the SFF and its benefits. The SFF Web site proved to be the most effective source of information.
<ul style="list-style-type: none"> • Positive feedback by key stakeholders via letters / Web comments (e.g. Department of Finance Canada, Export Development Canada, Canadian Shipowners Association, Shipbuilding Association of Canada, Canada Customs and Revenue Agency, Treasury Board of Canada, Secretariat) 	<ul style="list-style-type: none"> ▪ In general, stakeholders support the program. However, they maintain that program effectiveness would be improved if recipients of SFF did not have to forego accelerated capital cost allowance benefits. Stakeholders describe the program as essential to maintaining Canadian shipbuilders' competitiveness, particularly in international markets. Since the SFF program has been fully committed since December 2005, stakeholders have expressed concern that this funding is no longer available.
<p>Expected Result: Increased industry confidence (SFF, etc.)</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Feedback from Web, information packages or sessions (trade shows) 	<ul style="list-style-type: none"> ▪ Data on increased industry confidence is not available. There has been a notable number of visits to the SFF Web site, as the indicator above shows, but visitors did not provide feedback.
<p>Expected Result: Increased use of SFF by Canadian/foreign buyers or lessees</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Statistics/trends of SFF usage 	<ul style="list-style-type: none"> ▪ 13 interest-rate support projects were approved ▪ \$35 million in commitments ▪ There is a cumulative total of 35 projects and \$62 million in commitments. ▪ The initial SFF funding target was \$145 million over five years. Initial uptake was slow, and more than half of these funds were cut as part of a government expenditure review. The program uptake gained momentum and program authority was extended for one year. As of December 2005, funds were fully committed even though the program had approval authority for an additional 15 months.
<ul style="list-style-type: none"> • SFF usage trends by Canadian/foreign buyers or lessees 	<ul style="list-style-type: none"> ▪ Leases: 0 ▪ Exports: seven projects totalling \$21 million ▪ Domestic: six projects totalling \$14 million

<p>Sub-Program Activity: Sustainable Technologies and Service Industries Branch — Economic Development</p> <p>Development of policies and programs that support global competitiveness and sustainable economic growth in priority service industries and service-related emerging technologies by promoting trade, investment and efficient regulation.</p>	
<p>Expected Result: Competitiveness and growth in environmental and service industries</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of market development and trade opportunities for Canadian firms 	<ul style="list-style-type: none"> ▪ Under the Sustainable Cities Initiative, 46 international trade missions were organized, involving 287 representatives from companies, NGOs and academia.
<p>Expected Result: Increased awareness of opportunities for Canadian firms in domestic and global marketplaces</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Dollar value of bidding opportunities sent to Canadian companies 	<ul style="list-style-type: none"> ▪ SourceCAN cannot track the dollar value of bidding opportunities sent to Canadian companies, and there is potential for double counting, given the process currently in place. The indicator is being revised to enable better reporting in the future. ▪ The use of the number of bids sent gives an indication of the firms that SourceCAN activities are reaching. SourceCAN disseminates tenders, thereby promoting accessibility to and awareness of business opportunities for Canadian companies. ▪ Therefore, the indicator has been changed to number of business opportunities sent to Canadian companies. <ul style="list-style-type: none"> ○ Result: SourceCAN sent 841,602 business opportunities to Canadian companies
<ul style="list-style-type: none"> • Number of partners providing bidding opportunities 	<ul style="list-style-type: none"> ▪ SourceCAN disseminates business opportunities from 50 sources. These opportunities are provided by nine partners.
<ul style="list-style-type: none"> • Number of successful Canadian company bids 	<ul style="list-style-type: none"> ▪ 70,151 registered clients: SourceCAN is not the sole determining factor but is part of the value chain leading to the winning companies receiving an award. Also, there is no requirement placed on the client to report awards to SourceCAN. Therefore, a more appropriate indicator would be number of registered SourceCAN clients.
<p>Sub-Sub-Program Activity: Supply Chain Management (SCM) Pilot Project</p> <p>Encourage broader SME participation in various initiatives to track, better manage and, over the longer term, achieve meaningful reductions in greenhouse gas (GHG) emissions through such means as changes to business/production processes and use of new technologies.</p>	
<p>Expected Result: Expansion of industry-led SCM programs to include emissions reductions</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Amount/quality of information in database versus baseline data 	<ul style="list-style-type: none"> ▪ Industry Canada participated in the Environmental Supply Chain Management Pilot Project managed by VCR Inc. However, the results for this indicator are not yet available.

Expected Result: Greater SME awareness of energy-saving measures and more SMEs in pilot project GHG reduction initiative	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of SMEs involved and feedback 	<ul style="list-style-type: none"> ▪ 40 percent (i.e. 9 out of 22) of the companies invited to the workshop attended. ▪ The number of suppliers invited was relatively small because the focus was on those few suppliers with relatively large energy use. All invited companies were from the resource sector in Alberta. These companies were all rapidly expanding to meet customer needs, and it was difficult for them to find time to attend a workshop that addressed energy efficiencies.
Expected Result: At least two large companies with knowledge of and influence on GHG footprint	
Performance Indicators	Results
<ul style="list-style-type: none"> • Change in GHG footprint 	<ul style="list-style-type: none"> ▪ Of the nine companies that attended the workshops, six had already implemented energy savings or have plans to do so. ▪ Companies that participated in the pilot have contacted other firms to participate. They are awaiting energy audits to determine the cost savings.
<p>Sub-Sub-Program Activity: Language Industries Initiative (LII) The objective of the LII is to foster cooperation with the private sector to build a strong, competitive industry. The program is designed to support firms wishing to undertake marketing and branding activities.</p>	
Expected Result: Steering Committee / LII Operations Group – clear strategic direction	
Performance Indicators	Results
<ul style="list-style-type: none"> • Directions and conditions are clear and well understood 	<ul style="list-style-type: none"> ▪ The structure of the committee has evolved and now better represents the industry. It has moved from information to a more interactive forum. ▪ Two steering committee meetings were held. The purpose of the meetings was to present projects undertaken by the many stakeholders, as well as the results obtained, and to plan a clear and coordinated approach to tackle the main challenges of the industry (i.e. fragmentation, insufficient human resources, lack of R&D and low visibility).
<ul style="list-style-type: none"> • Strategic direction document reviewed and validated with key stakeholders (consensus) 	<ul style="list-style-type: none"> ▪ Industry Canada and industry stakeholders (the Association de l'industrie de la langue / Language Industry Association [AILIA] and the Language Technologies Research Centre [LTRC]) have set up a process to share and discuss yearly work plans. Sharing and discussing priorities enables all partners to better coordinate efforts to maximize the impact of the work undertaken.

Expected Result: National and international marketing strategies identifying national and international market opportunities	
Performance Indicators	Results
<ul style="list-style-type: none"> • Complete national and international language industry (LI) macro-economics information, including number of jobs, number of firms, firm revenues, level of international business revenues; level of competition 	<ul style="list-style-type: none"> ▪ A survey of language industry companies was completed in summer 2005. ▪ The home page for Industry Canada's language industry Web site is strategis.ic.gc.ca/epic/internet/inlain-la.nsf/en/Home.
Expected Result: Increased awareness by LIs of national and international market opportunities	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of use of government programs for LIs: demands, number of projects 	<ul style="list-style-type: none"> ▪ A total of 70 companies were approved for funding under the Language Industry Program, for a total of more than \$550,000. ▪ 80 percent of the projects approved had an international component (participation at fairs, conferences, etc.) in more than 30 countries. ▪ 826 opportunities from SourceCAN were made available to members of AILIA. ▪ 95 applications were submitted. ▪ 15 applications were rejected. ▪ 10 companies withdrew their application.
<ul style="list-style-type: none"> • Number and description of requests for participation in national and international trade promotion events (fairs, shows, missions, etc.); comparative number participating (baseline vs. LI program) 	<ul style="list-style-type: none"> ▪ Tournée AILIA (Canada): five cities, 200 participants ▪ Language Industry Association Fair (Ottawa): 29 exhibitors and 200 participants ▪ Aseproce (Spain): student fair, three Canadian companies, 3,000 students, and more than 50 agents ▪ British Education, Technology and Training Show (BETTS) (United Kingdom): 12 Canadian companies, three from the language industry ▪ Four employment and education fairs: one in Toronto, two in Montréal and one in Québec ▪ Localization Industry Standards Association (LISA) (Boston): 12 companies participated ▪ "Défense Sécurité Innovation" Conference: three language technology companies participated.
Expected Result: Increased awareness of LIs by target audiences	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of knowledge of LIs by students and potential customers 	<ul style="list-style-type: none"> ▪ Information not available at this time due to prohibitive costs of collecting and monitoring the information
<ul style="list-style-type: none"> • Level of awareness of LI promotion information by students and potential customers 	<ul style="list-style-type: none"> ▪ Information not available at this time due to prohibitive costs of collecting and monitoring the information

Expected Result: Increased awareness (knowledge) of Canadian LIs by Canadian representatives abroad	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of awareness (knowledge) of Canadian LIs by Canadian representatives abroad 	<ul style="list-style-type: none"> ▪ Five market studies were undertaken (two in China, two in Brazil, one in Korea) via the embassies. These studies identified opportunities for Canadian companies, and trade commissioners used this information to promote and position Canadian companies abroad. ▪ Promotional material or industry information was sent to posts in Spain, Portugal, the Dominican Republic, Hungary, Algeria, Mexico and Chile.
Sub-Sub-Program Activity: Border Air Quality Strategy	
<p>The Border Air Quality Strategy (BAQS) is a bilateral initiative to improve coordinated air quality management by Canada and the United States, and to advance Canada's 10-year Clean Air Agenda. Treasury Board of Canada, Secretariat approved \$90 million over four years for the BAQS in August 2003. Led in Canada by Environment Canada and Health Canada, it includes (among other things) studying the feasibility of an integrated Canada–United States emissions trading system (ETS) in smog- and acid-rain-causing air pollutants (\$8.8 million). Industry Canada and Natural Resources Canada are junior partners in looking at trading system design issues within the ETS study, headed by Environment Canada and the U.S. Environmental Protection Agency.</p>	
Expected Result: Evaluation of program elements necessary in a joint Canada–United States nitrogen oxides (NO _x) and sulphur dioxide (SO ₂) cap and trade program	
Performance Indicators	Results
<ul style="list-style-type: none"> • Evaluation study 	<ul style="list-style-type: none"> ▪ Joint Canada–United States feasibility study completed and released in both countries
Expected Result: Contribute to research on the economic and technical feasibility of an emissions trading system	
Performance Indicators	Results
<ul style="list-style-type: none"> • Availability of research 	<ul style="list-style-type: none"> ▪ A study on Canadian capability for environmental technologies, with a focus on air quality, has been completed. This study researched and examined where opportunities exist in Canada for environmental technologies to address air quality issues, as well as the potential requirements under a possible emissions trading system.

Sub-Program Activity: Aerospace and Automotive Branch — Economic Development	
Development of policies and programs that support global competitiveness and sustainable economic growth in aerospace, defence and automotive sectors, and aerospace- and automotive-related emerging technologies by promoting trade, investment and efficient regulation.	
Expected Result: Competitiveness and growth of the aerospace, space, automotive and defence industry sectors	
Performance Indicators	Results
<ul style="list-style-type: none"> • For each sector <ul style="list-style-type: none"> • Share of global market <ul style="list-style-type: none"> ○ Automotive ○ Aerospace ○ Defence • Number of firms <ul style="list-style-type: none"> ○ Automotive ○ Aerospace ○ Defences • Number of sales <ul style="list-style-type: none"> ○ Automotive ○ Aerospace and Defence 	<ul style="list-style-type: none"> ▪ Share of global market: <ul style="list-style-type: none"> ○ automotive: 4 percent ○ aerospace and defence: 6 percent (80 percent of Canadian aerospace industry output is exported) ▪ Number of firms: <ul style="list-style-type: none"> ○ automotive: 914 firms ○ aerospace and defence: 700 ▪ Number of sales <ul style="list-style-type: none"> ○ automotive: \$79.8 billion ○ aerospace and defence: \$21.7 billion

Sub-Program Activity: Life Sciences Branch — Economic Development	
Analysis and advice that support global competitiveness and sustainable economic growth in the life sciences sector by promoting trade, investment and efficient regulation.	
Expected Result: Promotion of life sciences industry to international trade and investment targets in the United States, Europe and Asia	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of awareness among international business clients of Canada's expertise in the life sciences sector 	<ul style="list-style-type: none"> ▪ Canadian life sciences briefs were distributed to thousands worldwide, translated into three languages and redistributed by 35 key posts abroad. ▪ Canadian delegation and exhibit at BIO 2005 in Philadelphia, attended by a total of 20,000 delegates. Based on BIO 2005 survey results, 97 percent of Canadian participants identified key contacts, 78 percent accessed new markets, and 84 percent identified and negotiated alliances at the event. ▪ Canadian presence/investment calls at Medica 2005 in Düsseldorf, Germany, the largest medical devices trade exhibition in the world, with 130,000 visitors and approximately 45 Canadian exhibits.
Expected Result: Increased exports in Canada's life sciences sector	
Performance Indicators	Results
<ul style="list-style-type: none"> • Export levels in life sciences industries 	<ul style="list-style-type: none"> ▪ Canadian pharmaceutical exports: \$3.9 billion in 2005, down from \$4 billion in 2004 ▪ Canadian medical devices exports: \$2.4 billion in 2005, up from \$2.2 billion in 2004 ▪ Canadian biotechnology exports: \$900 million in 2003, up from \$789 million in 2001 (derived from biennial Statistics Canada survey, with the most recent results being from 2003)

Expected Result: Increased international investment in Canada's life sciences industries	
Performance Indicators	Results
<ul style="list-style-type: none"> • Foreign direct investment in life sciences industries 	<ul style="list-style-type: none"> ▪ GlaxoSmithKline (UK) purchased ID Biomedical Corporation, a Vancouver-based vaccine maker, for C\$1.7 billion. In addition, GlaxoSmithKline (UK) announced a \$23-million expansion of its pharmaceutical manufacturing facility in Mississauga, Ontario, creating 75 new jobs. ▪ Other life science investments: <ul style="list-style-type: none"> ○ AstraZeneca (UK): \$5-million expansion of its acute pain / chronic pain facility in Technoparc Saint-Laurent ○ Roche Diagnostics (Switzerland): \$10-million expansion of its Laval in vitro diagnostic facility in Québec ○ Tyco Medical (Bermuda): \$20-million expansion, tripling its plant capability and adding 70 new jobs in its manufacturing facility in Montréal ○ Swiss-based Debiopharm S.A. strengthened its North American presence in early 2006 through the complete acquisition of Montréal-based drug development company H3 Pharma. Debiopharm had previously owned a 50-percent share of H3 Pharma. Since the purchase of the other 50-percent share, the Montréal subsidiary's name has been changed to Debiovision. ○ Amerisource Bergen Corporation of Buffalo, New York, acquired Trent Drugs of Kingston, Ontario, for \$40 million, plus \$43 million in debt assumption. The acquisition represents the expansion of the company's pharmaceutical distribution business. ○ Hong Kong-based CK Life Sciences International acquired a foothold in North America through the purchase of Quebec-based Santé Naturelle, which manufactures food supplements, vitamins and minerals. CK Life Sciences is also involved in pre-clinical research collaboration with the University of British Columbia. ▪ Foreign direct investment (FDI) figures are available from Statistics Canada only at the aggregate level. They are not collected at the life sciences-sector level. ▪ Information on FDI in the life sciences sector is collected on a case-by-case basis.

Sub-Program Activity: Industrial Analysis Branch (IAB) — Economic Development	
Support the development of policies and programs for priority sectors and emerging technologies by undertaking policy analysis and research on trade, investment and regulatory issues.	
Expected Result: Improved appreciation of industrial issues and policies involved in making Canadian industries more competitive and Canadian communities more sustainable	
Performance Indicators	Results
<ul style="list-style-type: none"> • Extent to which IAB raised and prioritized industrial policy issues 	<ul style="list-style-type: none"> ▪ Produced presentations on industrial issues, e.g. machinery and equipment investment and global supply chains ▪ Supported the implementation of the Security and Prosperity Partnership of North America agenda ▪ Organized and delivered a conference on global supply chains
<ul style="list-style-type: none"> • Satisfaction of senior officials with policy advice 	<ul style="list-style-type: none"> ▪ Data not available, as the program was unable to develop the surveys, questions and interviews required to accurately collect and monitor this information.
<ul style="list-style-type: none"> • Stakeholder involvement 	<ul style="list-style-type: none"> ▪ Data not available, as the program was unable to develop the surveys, questions and interviews required to accurately collect and monitor this information.
<ul style="list-style-type: none"> • Adoption of policy recommendations 	<ul style="list-style-type: none"> ▪ Data not available, as it is difficult to accurately measure the number of policy recommendations adopted. Therefore, the indicator was revised as policy recommendations made to the senior officials of Industry Canada. <p>Result:</p> <p>Recommendations were made on:</p> <ul style="list-style-type: none"> ○ Mid-term planning exercise ○ Climate change ○ Gateways ○ National tourism strategy

Program Activity: Spectrum, Information Technologies and Telecommunications Sector — Economic Development

Sub-Program Activity: Information and Communications Technologies Branch — Economic Development	
Improves the competitiveness and fosters the growth of the Canadian ICT industry.	
Expected Result: Influencing policy and decision makers to position Canadian companies for growth and innovation in the global marketplace	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of corporate calls on investment targets 	<ul style="list-style-type: none"> ▪ Organized and supported 27 aftercare/prospecting corporate calls with companies in Canada. Organized and supported 69 investment calls with companies based outside of Canada.

<ul style="list-style-type: none"> • Number of papers provided and presentations given regarding departmental policy development 	<ul style="list-style-type: none"> ▪ Presentation made to Directors General Policy Committee on April 28, 2005, on globalization and technological change and the impact on Canada's ICT sector. A copy of the presentation paper was circulated to policy groups at Industry Canada and the Department of Foreign Affairs and International Trade. ▪ Paper submitted in June 2005 to expert panel to provide ICT sector perspective on commercialization.
<ul style="list-style-type: none"> • Number of statistical data on sector performance 	<ul style="list-style-type: none"> ▪ Quarterly Monitor of the Canadian ICT sector; Canadian ICT sector profile updates ▪ Annual Canadian ICT sector regional report
<ul style="list-style-type: none"> • Client satisfaction rates at business development events 	<ul style="list-style-type: none"> ▪ Client survey results, based on 36 surveys, showed 92 percent were "satisfied" or "very satisfied."
<ul style="list-style-type: none"> • Number of sales leads for Canadian companies 	<ul style="list-style-type: none"> ▪ More than 329 leads were generated.

Sub-Program Activity: Information Highway Applications Branch
 Accelerates the participation of Canadians and their communities in the digital economy by fostering community networks and improving both access to and use of ICTs for lifelong learning and economic development.

Expected Result: Promotion and facilitation of the dissemination, use and exploitation of information technology and telecommunications solutions to and by Canadians

Performance Indicators	Results
<ul style="list-style-type: none"> • Assessment of individual program outputs 	<ul style="list-style-type: none"> ▪ 88 percent of First Nations schools on federal reserves now participate in the First Nations SchoolNet Program. ▪ An additional 170 communities were provided with high-speed Internet access in 2005–06, bringing the total to 294. ▪ 113,411 government and private sector computers were refurbished and provided to schools, libraries and not-for-profit organizations. ▪ Community Access sites continued to provide basic and advanced ICT skills training, reaching an estimated 15 million Canadians in 2005–06. ▪ 1,666 youth between the ages of 15 and 30 were provided with on-the-job ICT skills. ▪ A total of 222,455 visits were made to the SchoolNet Learning Resources Module, and 3,093 online post-secondary courses were available to users as of March 31, 2006.

<p>Sub-Sub-Program Activity: Broadband for Rural and Northern Development Pilot Program</p> <p>Ensures Canadian communities and businesses have access to reliable modern ICT infrastructure by bringing broadband or high-capacity Internet to rural, remote Northern and First Nations communities.</p>	
<p>Expected Result: Access by Canadian communities and businesses to reliable, modern ICT infrastructure by bringing broadband or high-capacity Internet to rural, remote Northern and First Nations communities</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of communities served by broadband in Canada as a result of the program 	<ul style="list-style-type: none"> ▪ 294 out of 886 communities were connected, including 170 new communities in 2005–06.
<p>Sub-Sub-Program Activity: Francommunautés virtuelles</p> <p>Aims to promote the active participation of Canada's French-speaking communities in ICTs to stimulate connectivity, access to the Internet, and the development of content and new media in French.</p>	
<p>Expected Result: Improved access to French-language Web applications, content and services on the part of Canada's Francophone and Acadian populations</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of Canadian French-language Web-based applications, content and services available 	<ul style="list-style-type: none"> ▪ No Web applications were created in 2005–06. However, 27 projects were accepted for funding in 2006–07. A program evaluation is scheduled for 2006–07 to assess overall program results and accomplishments.
<p>Sub-Sub-Program Activity: National Satellite Initiative (NSI)</p> <p>Ensures Canadian communities and businesses have access to reliable, modern ICT infrastructure by bringing high-capacity Internet to communities in the Far North and Mid-North, and in isolated or remote areas of Canada, where satellite is the only reasonable means of connecting public institutions, residents and businesses.</p>	
<p>Expected Result: Access by Canadian communities and businesses to modern ICT infrastructure by bringing high-capacity Internet to communities in the Far North and Mid-North, and in isolated or remote areas of Canada, via satellite</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of communities able to access high-capacity Internet as a result of the NSI 	<ul style="list-style-type: none"> ▪ 18 communities out of a potential 52 now have access. Although no new communities were connected in 2005–06, Round 2 of the competition closed in May 2005: 29 applications were filed; 2 were funded and 27 are under review.

<p>Sub-Sub-Program Activity: Community Access Program Provides Canadians with affordable public access to the Internet and the skills they need to use it effectively. Helps Canadians, wherever they live, to take advantage of emerging opportunities in the new global, knowledge-based economy.</p>	
<p>Expected Result: Improved access to the Internet for Canadians most affected by the digital divide</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of Internet use by digital-divide populations 	<ul style="list-style-type: none"> ▪ Low-income group: <ul style="list-style-type: none"> ○ Internet penetration rates by low income (earning less than \$24,000 per year) households: 26.7 percent ▪ Low-education group: <ul style="list-style-type: none"> ○ Internet penetration rates by heads of households' education level (less than high school): 25.5 percent ▪ Seniors: <ul style="list-style-type: none"> ○ Internet penetration rates by heads of household (aged 65 and older): 22.7 percent ▪ This information is provided in comparison with the general Internet penetration rates by Canadian households: 64 percent (7.9 million of 12.3 million Canadian households).
<p>Sub-Sub-Program Activity: SchoolNet Works in collaboration with governments, non-profit organizations and the private sector to position Canada at the global forefront of e-learning readiness to support the innovative use of ICTs for lifelong learning, and to promote the competitiveness of the e-learning industry. Works with the provinces and territories to develop and showcase best practices in the use of ICTs for learning, to improve connectivity and ICT skills development in First Nations schools, and to carry out research on the connectivity of Canadian society and on the use of ICTs for learning.</p>	
<p>Expected Result: Increased access to and effective use of ICTs and the ICT infrastructure by First Nations students and learners, other Canadian learners and learning professionals</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of education stakeholders, including post-secondary (and secondary) institutions participating in online e-learning development activities 	<ul style="list-style-type: none"> ▪ 14 of Campus Canada's member institutions and 89 Campus Connection participants offer online courses. ▪ 88 percent of schools are participating in the First Nations SchoolNet program. ▪ 41 percent of participating schools achieved adequate connectivity to enable e-learning applications.
<p>Expected Result: Increased availability of learning resources which are online, multimedia and Canadian content-rich and which can be re-used and/or re-purposed</p>	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of e-learning resources accessed, retrieved and exchanged 	<ul style="list-style-type: none"> ▪ A total of 222,455 visits were made to the SchoolNet Learning Resources Module on the SchoolNet Web site. ▪ 3,093 online post-secondary courses are available to users through Campus Connections.

Sub-Sub-Program Activity: Partnering with the Voluntary Sector — Information Management / Information Technology (IM/IT) Component	
Helps strengthen the technological capacity of voluntary organizations to achieve their specific missions and mandates.	
Expected Result: Improved technological capacity on the part of Canada's voluntary sector	
Performance Indicators	Results
<ul style="list-style-type: none"> Number of voluntary sector organizations using ICT applications in their operations 	<ul style="list-style-type: none"> Program closed as of March 31, 2005

Program Activity: Chief Information Office Sector — Economic Development

Sub-Program Activity: Strategis	
Provide businesses, consumers and governments with online access to various information-oriented services and transactions with the Department to enhance commercial innovation and productivity or contribute to marketplace efficiency and effectiveness.	
Expected Result: A connected business community that exploits the Internet for competitive advantage	
Performance Indicators	Results
<ul style="list-style-type: none"> Number of discrete clients 	<ul style="list-style-type: none"> Number of unique visits: 11,325,931 as determined by Webtrends, a leading Web metrics auditing program

Sub-Program Activity: Industry Canada Government On-Line (GOL) Projects	
On behalf of Industry Canada, to achieve the Government of Canada's objective (as stated in the 1999 Speech from the Throne) of making key services available online by 2005 by coordinating the Department's progress in putting key services online and in leading work on key horizontal departmental online initiatives.	
Expected Result: Improved access to Industry Canada's services by influencing the Department to better utilize the Internet for service delivery, thus making services available more convenient for business	
Performance Indicators	Results
<ul style="list-style-type: none"> Volume of use of Industry Canada's online services 	<ul style="list-style-type: none"> The planned growth in take-up for 2005 has been achieved. Industry Canada achieved an aggregate e-channel take-up of 61 percent of clients.

Sub-Program Activity: Canada Business Service Centre Secretariat and Business Gateway	
Increased awareness of and access to government business-related information, programs and services, and facilitated business compliance with regulations.	
Expected Result: Increased awareness of and access to government business-related information, programs and services, and facilitated compliance for business	
Performance Indicators	Results
<ul style="list-style-type: none"> Service usage 	<ul style="list-style-type: none"> 235,280 clients were served using assisted channels (i.e. telephone, in-person, fax, mail, email and Talk to Us!), a decrease of 11.9 percent over 2004–05. 7 million Internet visits to the Canada Business Network Web site
Expected Result: Increased use of self-service channels	
Performance Indicators	Results
<ul style="list-style-type: none"> Channel usage trends 	<ul style="list-style-type: none"> 7 million Internet visits to Canada Business Network in 2005–06, an 11.8-percent increase over 2004–05

Expected Result: Reduced complexity in accessing programs and services and compliance requirements for SMEs	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of client satisfaction 	<ul style="list-style-type: none"> ▪ In 2005–06, Canada Business Service Centres in British Columbia, Quebec and Alberta conducted in-house client surveys. The results for client satisfaction were as follows: in British Columbia, the average result was 4.3 out of 5; in Alberta, 76 percent were highly satisfied; in Quebec, between 90 and 95 percent rated the services as good to excellent.
Expected Result: Improved SME business planning and market research	
Performance Indicators	Results
<ul style="list-style-type: none"> • Level of client satisfaction 	<ul style="list-style-type: none"> ▪ In 2005–06, Canada Business Service Centres in British Columbia, Quebec and Alberta conducted in-house client surveys. The results for client satisfaction were as follows: in British Columbia, the average result was 4.3 out of 5; in Alberta, 76 percent were highly satisfied; in Quebec, between 90 and 95 percent rated the services as good to excellent.
<ul style="list-style-type: none"> • Use of business support resources 	<ul style="list-style-type: none"> ▪ In 2005–06, Canada Business Service Centres in British Columbia, Quebec and Alberta conducted in-house client surveys. The results for client satisfaction were as follows: in British Columbia, the average result was 4.3 out of 5; in Alberta, 76 percent were highly satisfied; in Quebec, between 90 and 95 percent rated the services as good to excellent.

Sub-Program Activity: Government of Canada GOL Projects	
Increased integration of government information and services across departments and jurisdictions to achieve efficiencies for Canadian business in complying with regulations and conducting business.	
Expected Result: Enhanced collaboration and increased integration of government information across three levels of government for shared service to business	
Performance Indicators	Results
<ul style="list-style-type: none"> • Partner and client feedback regarding reductions in the complexity of acquiring comprehensive information on permits and licenses 	<ul style="list-style-type: none"> ▪ Four provinces/territories and 14 municipalities engaged with BizPaL, recognizing the benefits of decreased complexity for business.

Sub-Program Activity: Student Connections	
Increased knowledge and use of Internet and e-commerce by Canadian SMEs and seniors, and increased youth knowledge, skills and marketability for employment.	
Expected Result: Increased knowledge and skills related to the Internet and e-commerce applications and technologies by SMEs and seniors	
Performance Indicators	Results
<ul style="list-style-type: none"> • Client perceptions of increased knowledge and skills 	<ul style="list-style-type: none"> ▪ 82 percent reported that they received practical instruction that improved their use of IT.
Expected Result: Practical, short-term work experience for students in post-secondary, IT-related studies	
Performance Indicators	Results
<ul style="list-style-type: none"> • Number of youth hired 	<ul style="list-style-type: none"> ▪ 319 youth hired

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