

2004–2005 Estimates

Report on Plans and Priorities



D. E. E.

Minister of Industry

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Section 1: Messages

Minister's Message

As Minister of Industry, I am proud to report on Industry Portfolio initiatives to foster the creation and growth of a thriving, innovative economy. Through the programs of Industry Canada and the 14 other federal departments and agencies that make up the Industry Portfolio, we have encouraged progress on a number of priorities for Canadians, including improving Canada's business environment, continuing investment in the creation and commercialization of knowledge, building a skilled workforce, strengthening our communities, increasing health research and advancing sustainable development.

Canada is gaining recognition as a world leader in the knowledge economy. This is due in part to our significant investments in advanced research and groundbreaking developments by Canadians in new technologies. By increasing our focus on research and development and working in partnership with Canadian firms, post-secondary institutions and not-for-profit organizations, we have stimulated innovation and have improved the productivity and competitiveness of Canadian businesses.

In the coming years we must make a concerted effort to improve Canada's performance even further by achieving greater successes in the industries that have brought Canada to where it is today. We must make it a priority for our businesses, large and small, to be leaders in developing the enabling, transformative technologies of tomorrow. As part of our commitment to building a thriving 21st century economy, we will foster the creation and growth of innovative Canadian companies by strengthening our focus on science and technology, increasing the commercialization of university research, and improving access to early-stage financing.

We are committed to supporting small business access to markets, promoting leading-edge technologies with emphasis on the health, environmental, and information and communications technologies (ICTs) sectors, and promoting the development of value-added industries, particularly those related to the resource sectors. We will make our expertise available to the small businesses that drive the social economy, and we will collaborate with key stakeholders to widen the scope of programs currently available to small and medium-sized enterprises to include social enterprises.

These initiatives will build upon the excellent work that has been achieved to date by the Department and its Portfolio partners. Their work will continue to drive Canada's economic growth in the future and allow us to seize opportunities that present themselves, enabling us to leverage and showcase Canadian creativity and expertise in the global marketplace.

The Industry Portfolio

- Atlantic Canada Opportunities Agency*
- Business Development Bank of Canada†
- Canada Economic Development for Quebec Regions*
- Canadian Space Agency
- Canadian Tourism Commission†
- Competition Tribunal
- Copyright Board Canada
- Enterprise Cape Breton Corporation* †
- 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
- Western Economic Diversification Canada*

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

† Not required to submit a Report on Plans and Priorities.

It is my pleasure to present the *Report on Plans and Priorities* for Industry Canada. This report describes the Department's anticipated achievements and results over the next three years as we embark on building an economy for the 21st century. Some of the highlights of Industry Canada's plans and priorities include the following:

- supporting innovation through R&D spending and commercialization, and highly qualified personnel;
- enabling individuals, businesses and communities to take advantage of connectedness opportunities;
- continuing to improve marketplace framework instruments and their implementation;
- promoting the development of value-added industries in priority sectors; and
- supporting access to markets for Canadian businesses.

We are on our way to ensuring that Canada remains a nation with unique strengths that supports a growing economy and values social enterprise, a country where we can continue to build a better standard of living with quality jobs and competitive wages. We must create opportunities and overcome the economic and social challenges that will arise. In short, we must commit ourselves to the pursuit of excellence, leveraging the ingenuity and creativity of our people.



David L. Emerson
Minister of Industry

Management Representation

I submit, for tabling in Parliament, the 2004–2005 *Report on Plans and Priorities* for Industry Canada.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the Preparation of the 2004–2005 Report on Plans and Priorities*:

- It accurately portrays the organization's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's budget and by Treasury Board of Canada, Secretariat.
- It is comprehensive and accurate.
- It is based on sound underlying departmental information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Suzanne Hurtubise
Deputy Minister

Date

Section 2:

Industry Canada's Business: Growing a Dynamic Economy

2.1 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
- ensures a more sustainable economic, environmental and social future for Canadians.

This Report on Plans and Priorities provides information about how Industry Canada will work 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.

The changes to government announced on December 12, 2003, have affected the way in which Industry Canada will focus its efforts to achieve its goals. The following portions of Industry Canada have been transferred to the new department, International Trade Canada:

- Investment Partnerships Canada
- International Business Opportunities Centre (Industry Sector)
- Trade Integration Directorate (Operations Sector)
- International Trade Centres located in the regions (Operations Sector)
- Those portions of International Trade and Investment Policy Branch, known as the Industrial Trade Policy Division, and the investment portions of the International Investment Policy Division, except those portions related to the administration of the *Investment Canada Act* (Policy Sector)

These changes required the Department to renew its existing strategic outcomes and concentrate its efforts on the following three strategic outcomes: a fair, efficient and competitive marketplace; an innovative economy; and competitive industry and sustainable communities. As required by Treasury Board of Canada, Secretariat (TBS), this report presents the plans and priorities based on these three strategic outcomes, which serve as the framework by which the Department works, in an integrated fashion, to achieve its goals.

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 will continue to work in support of this priority through its strategic outcomes. For example, 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 Canadians' standard of living and quality of life. Promoting economic development in communities encourages an innovative, knowledge-

based economy by supporting the development of skills, ideas and opportunities across the country. Taken together, the Department's strategic outcomes support growth in employment, income, productivity and sustainable development in Canada.

On December 12, 2003, the Government of Canada launched an expenditure review to be completed by fall 2004. This commitment to improve expenditure control and efficiency in order to meet the expectations of Canadians was further emphasized in Budget 2004. Industry Canada is committed to working with senior officials to review all departmental programs and expenditures to ensure that they remain consistent with the government's priorities. Decisions resulting from the recommendations provided to the Prime Minister by the Expenditure Review Committee will be implemented by the Department.

In addition, Industry Canada is working with TBS to achieve the savings targets, as directed under the ongoing initiative to reallocate \$1 billion across government, which was announced in Budget 2003 (www.fin.gc.ca/budtoce/2003/budliste.htm).

Section 3:

Industry Canada — Plans and Priorities

3.1 Planning Overview

Industry Canada works in partnership with a variety of stakeholders in delivering its programs and services, and consults with these stakeholders in developing effective micro-economic policies. These partners include the private sector, universities and colleges, non-governmental organizations, communities, members of the Industry Portfolio, other government departments, provincial and territorial governments, foreign agencies, and consumer groups. Industry Canada will continue these cooperative partnerships to sustain Canada's economic growth and to identify new challenges and opportunities.

The Department also has a comprehensive legislative mandate to ensure that the Canadian marketplace is competitive and dynamic as the result of sound intellectual property, competition and telecommunications frameworks.

As announced in the 2004 Speech from the Throne, one of the areas on which the Government of Canada will focus is building a 21st century economy to foster growth and create high-quality, well-paying jobs. Fostering the creation and growth of innovative Canadian companies can be achieved by:

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

Industry Canada has a key role to play in support of these initiatives. The Department will build upon the results that have been achieved by all branches and sectors, and will work with its Portfolio partners.

The Department is also committed to building on its past accomplishments in sustainable development, and addressing emerging challenges and opportunities to ensure a more sustainable future for Canadians. Industry Canada's third Sustainable Development Strategy (SDS III) (strategis.gc.ca/sd) is for 2003–06 and supports a vision of Canada as a leader in the development, commercialization and adoption of sustainable development tools, practices and technologies throughout the economy. SDS III commits the Department to playing a strategic enabler role and promoting innovative sustainable development solutions through the following strategic outcomes:

- Innovation toward sustainable development
- Corporate and community sustainability
- Sustainable development capacity building within Industry Canada.

SDS III seeks, first, to reinforce Industry Canada’s efforts to promote eco-efficiency tools and practices, and enable the diffusion of environmental technologies by Canadian industry. Second, it includes an expanded suite of initiatives to advance corporate and community sustainability. Third, it calls for further strengthening of Industry Canada’s sustainable development capacity in terms of its sustainable development management system.

3.2 Industry Canada’s Plans and Priorities by Strategic Outcome

The following table presents Industry Canada’s key priorities by strategic outcome. The table also provides an approximation of the resources allocated to each strategic outcome. Further information on resource allocation by strategic outcome can be found in the detailed discussion of the plans and priorities and in the table on page 38.

Summary Table of Key Priorities by Strategic Outcomes

| Strategic Outcome: A fair, efficient and competitive marketplace \$161.6 million | |
|--|--|
| Key Priorities | Planned Outcomes |
| Support the Government of Canada’s Smart Regulation initiative [Ongoing] (page 11) | To foster the competitive conditions to attract investment, encourage innovation and protect the public interest |
| Continue to modernize marketplace framework instruments and their implementation [Ongoing] (page 12) | To ensure responsive marketplace frameworks for business, consumers and investors |
| Continue to improve program and service delivery in accordance with stakeholder needs [Ongoing] (page 14) | To ensure that the marketplace operates fairly and effectively |
| Continue to develop world-class regulations and policies for e-business and the digital economy, and support the international standardization of e-commerce applications [Ongoing] (page 14) | To create a world-leading environment that encourages the adoption and growth of e-commerce |
| Improve compliance with marketplace rules through increased enforcement and stakeholder education, awareness and support [Ongoing] (page 15) | To ensure confidence in the Canadian marketplace |

| Strategic Outcome: An innovative economy | | \$569.7 million |
|--|---|------------------------|
| Key Priorities | Planned Outcomes | |
| Promote investments in R&D [Ongoing] (page 16) | To rank among the top five countries in R&D performance | |
| Support and make strategic investments in the development of innovative technologies [Ongoing] (page 17) | To improve Canada's standing as a leader in emerging technologies | |
| Build research capacity in Canada's private and public sectors [Ongoing] (page 17) | To continue to strengthen Canada's research advantage gained through previous investments | |
| Encourage commercialization of R&D and improve technology adoption rates [Ongoing] (page 17) | To allow Canadians to realize the benefits of investments in research and develop better products and services | |
| Invest in and promote research, development and the use of strategic enabling technologies, including the hydrogen economy [Ongoing] (page 18) | To develop knowledge in fields with good opportunities, including the hydrogen economy, which supports Canada in meeting its climate change goals | |
| Strategic Outcome: Competitive industry and sustainable communities | | \$849.7 million |
| Key Priorities | Planned Outcomes | |
| Strengthen partnerships with stakeholders and support trade, investment and retention, to promote the development of value-added industries [Ongoing] (page 20) | To promote the development of value-added industries and encourage growth in priority sectors | |
| Strengthen the social economy [Ongoing] (page 21) | To promote and grow social economy enterprises | |
| Support access to capital and increase understanding of the risk capital marketplace including debt, leasing and risk capital [Ongoing] (page 22) | To enable businesses with high growth potential to bring their innovations to market | |
| Continue to build a skilled work force in partnership with Citizenship and Immigration Canada and Human Resources and Skills Development Canada [Ongoing] (page 23) | To ensure Canada has the highly qualified personnel required to develop and apply new ideas and technologies | |

| Key Priorities | Planned Outcomes |
|---|---|
| <p>Support economic and sustainable development in communities through targeted business development programs [Ongoing] (page 23)</p> | <p>To stimulate economic growth in targeted communities and improve their sustainability</p> |
| <p>Strengthen participation in the digital economy by positioning individuals, businesses and communities to take advantage of connectedness opportunities [Ongoing] (page 24)</p> | <p>To provide Canadians with the means to participate in the creation and sharing of knowledge</p> |
| <p>Ensure that Canadians have access to reliable, modern information and communications technology infrastructure [Ongoing] (page 24)</p> | <p>To allow Canadians in all communities to benefit from the digital economy</p> |
| <p>Improve on-line service to Canadians, in particular businesses and entrepreneurs, by leading the development of the government's service to business transformation agenda [Ongoing] (page 25)</p> | <p>To promote Canadian integrated, citizen-centred service delivery across a multi-channelled, multi-service delivery network</p> |
| <p>Continue to help companies achieve their sustainable development objectives through eco-efficiency, and corporate and community sustainability [Ongoing] (page 26)</p> | <p>To help Canadian businesses become more productive and competitive in the knowledge-based economy and thus improve the standard of living and quality of life of Canadians</p> |

Details on Plans and Priorities by Strategic Outcome

This section provides details on Industry Canada's plans and priorities by strategic outcome. It provides information on how the Department will implement its plans to achieve the priorities for this planning period. Also included is an approximation of the resources allocated by each sector whose work contributes to achieving the strategic outcome. A summary table showing sector contributions to all of the strategic outcomes can be found on page 38.

A fair, efficient and competitive marketplace

| Estimated resource allocation by sector and number of full-time equivalents (FTEs) | | | | | | | | | | | |
|---|---------|-------------------|------------|---|--------------------------|----------------------------|--------------------|--------|---------|---------|----------|
| Policy Sector | | Operations Sector | | Spectrum, Information Technologies and Telecommunications | Chief Information Office | Office of Consumer Affairs | Competition Bureau | | | | |
| \$7.3M | 63 FTEs | \$59.3M | 1,334 FTEs | \$51.5M | 376 FTEs | \$0.5M | 8 FTEs | \$4.6M | 23 FTEs | \$38.4M | 393 FTEs |

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

One of Industry Canada's main priorities is to modernize marketplace framework instruments and facilitate their implementation. As indicated in the Smart Regulation initiative, frameworks must foster competitive conditions in order to attract investment, encourage innovation and protect the public interest.

Industry Canada's marketplace service organizations (MSOs) will continue to be active participants in the Government of Canada's Smart Regulation initiative. MSOs will continue to ensure that the marketplace is responsive to stakeholder needs. MSOs will look at developing cost-effective approaches — third-party delivery, alternative case resolution, and voluntary standards and codes — to address marketplace issues and ensure sustainable governance in those areas mandated by various legislative instruments.

The Policy Sector will complement the Smart Regulation strategy by creating and supporting a joint, private-public working group to identify practical and actionable ideas for reducing the paperwork burden on small businesses.

Marketplace Service Organizations

- Canadian Intellectual Property Office
- Competition Bureau
- Corporations Canada
- Marketplace Framework Policy Branch
- Measurement Canada
- Office of Consumer Affairs
- Office of the Superintendent of Bankruptcy Canada
- Spectrum/Telecom Program

Budget 2004 Commitment

The government will work with small business groups to make measurable reductions in the paperwork burden, and report to parliamentary committees to ensure that progress continues to be made on reducing the paperwork burden in the future.

Modernizing Marketplace Framework Instruments

In order for the marketplace to be responsive, attract investment and protect consumers, marketplace frameworks must minimize the regulatory burden, where appropriate, and create the incentive to innovate, while discouraging illegal and fraudulent marketplace behaviour. To ensure that the marketplace remains effective and efficient, the Department's MSOs will continue to modernize their framework instruments, through various efforts.

Industry Canada continues to play a crucial role in ensuring the creation of a legal policy framework that enables and encourages the conduct of e-business. Strengthening consumer trust and business confidence in the commercial use of the Internet remains a high priority. The application of the *Personal Information Protection and Electronic Documents Act* across the economy beginning in January 2004 has provided a legal basis for privacy protection for all Canadians. Measures have been taken to promote the alignment of federal and provincial/territorial privacy protection laws and the mutual recognition of legislative regimes internationally, giving the business community a clear and consistent set of ground rules governing the protection of personal information. The development of principles for electronic authentication and guidelines for consumer protection are further steps being taken to make Internet transactions safer and more secure.

Following a period of public consultations, the Competition Bureau will revise its Merger Enforcement Guidelines, which provide a framework for merger analysis in Canada. The revised guidelines will clarify the Bureau's current approach to reviewing mergers under the *Competition Act* and reflect recent developments in jurisprudence and economic analysis. The Competition Bureau has also agreed to review its Bank Merger Enforcement Guidelines, following the government's response to two parliamentary reports on the subject of large bank mergers. Revising the Bureau's merger enforcement guidelines will provide greater transparency and predictability for Canadian businesses, legal practitioners and consumers.

The Lobbyists Registration Branch administers the *Lobbyists Registration Act*, a law that requires individuals to register and disclose certain information if they are paid to make representations to, or lobby, the federal government. Recently, the Assistant Deputy Minister, Comptrollership and Administration Sector has been designated Registrar. In fall 2004, amendments to the *Lobbyists Registration Act* and regulations will come into force. An updated electronic registry will also be established at this time. These amendments and updates will ensure that Canada continues to have one of the world's most rigorous and transparent regimes for lobbying.

In May 2004, Bill C-9, *The Jean Chrétien Pledge to Africa Act*, received Royal Assent. By facilitating access to pharmaceutical products, the legislation will help to address public health problems affecting many developing countries that have insufficient manufacturing capacity. The Marketplace Framework Policy Branch (MFPB) will develop the necessary regulatory framework required to implement new processes related to the export of medicines to developing countries. Jointly with Health Canada, MFPB will also establish an expert advisory committee to make recommendations to the Government of Canada as to which pharmaceutical products should be eligible for export under the above-mentioned regime.

In addition, MFPB is committed to reviewing and reforming the *Copyright Act* to address the short-term copyright priority issues identified in *Supporting Culture and Innovation: Report on the Provisions and Operations of the Copyright Act (Section 92 Report)*, tabled in Parliament in October 2002. The overall aim of the short-term priorities reform is to modernize the Act to make it more responsive to the challenges and opportunities presented by the Internet and digital technologies.

As announced in Budget 2004, MFPB will propose the creation of a new Not-for-Profit Corporations Act to promote a vibrant and accountable voluntary sector as an important partner in serving Canadians. *The Canada Corporations Act, Part II*, which governs more than 18,000 not-for-profit organizations across Canada, has not been substantially amended since 1917.

Budget 2004 Commitment

The Government of Canada is committed to creating a new Not-for-Profit Corporations Act that will help build a solid foundation upon which Canada's social economy can continue to develop.

MFPB will also propose a tailored reform to strengthen investor and public confidence in Canadian markets. This initiative, if implemented into law, is intended to bolster investor confidence that has been negatively affected by corporate scandals in Canada and abroad. The amendments to the *Canada Business Corporations Act* would ensure that the corporate governance standards of federally incorporated companies remain of the highest order.

MFPB and the Office of the Superintendent of Bankruptcy Canada (OSB) (strategis.gc.ca) will examine proposals for the reform of the *Bankruptcy and Insolvency Act* (BIA) and the *Companies' Creditors Arrangement Act* (CCAA) in response to the recommendations made by the Senate Committee on Banking, Trade and Commerce, and will prepare for the third set of amendments to the BIA and CCAA. The objective is to ensure that the Canadian system responds more effectively and with greater predictability to changing market needs.

Budget 2004 Commitment

The Government of Canada will propose an amendment to the *Canada Business Corporations Act* to enhance transparency and accountability of corporations towards investors and shareholders.

The Competition Bureau is committed to modernizing the *Competition Act* to ensure that the legislation fosters a competitive marketplace. In the face of a rapidly changing global economy, the Competition Bureau has developed an incremental approach to legislative reform. This approach ensures that Canada's competition policy remains effective in a knowledge-based economy. As part of this approach, a discussion paper was released in June 2003, which started a consultation process with a wide base of stakeholders. The paper includes options to amend the *Competition Act*, for example, by strengthening civil provisions, and by reforming the conspiracy and pricing provisions and market references. These options are aimed at enhancing confidence in the marketplace and compatibility with the competition laws of other jurisdictions.

To foster an innovative Spectrum Management Program that remains responsive to the marketplace, Industry Canada will bring reforms to its Spectrum Policy Framework. This framework contains the essential policy elements of Canadian spectrum management. The Department will release a discussion paper in fall 2004 that will focus on issues such as increased flexibility in the use of spectrum resources, facilitating the introduction of new technologies, smart regulation, access to underutilized spectrum, greater reliance on market-based licensing and availability of licence-exempt spectrum.

To ensure that Canada has a modern and world-class marketplace framework in the telecommunications sector, Industry Canada sought a parliamentary review of the restrictions on foreign investment in telecommunications. In responding to the Standing Committee on Industry, Science and Technology, the government acknowledged that there are benefits to removing the foreign investment restrictions for the telecommunications industry, as well as for the users of these services. However, given the conflicting recommendations of the Standing Committee on Canadian Heritage, that these restrictions be maintained, the government has undertaken a review, to be completed in 2004, to determine how best to reconcile the conflicting recommendations on this issue and examine possible solutions.

Developing world-class regulations and supporting international standardization contributes to expanding e-commerce in the Canadian marketplace. E-business is a driving force for economic growth and social development in the knowledge-based economy. It enables Canadian businesses to be competitive at home and abroad by increasing their productivity and innovation potential. To capitalize on the benefits of e-commerce, the Department's goal is to create a world-leading environment that encourages the adoption and growth of e-commerce across all sectors of the economy.

To promote the development and interoperability of e-commerce applications internationally, Industry Canada will continue to collaborate with the Canadian telecommunications industry to ensure that International Telecommunication Union (ITU) worldwide standards for e-commerce applications are in place. Membership in the ITU allows Canada to enhance its partnerships with other governments and the private sector, thus providing for more effective coordination on standard setting and spectrum allocations for global telecommunications networks and services, broadcasting systems, and the continuous development of communications technologies.

Improving Marketplace Programs and Services

The evolving marketplace, economic fluctuations and deregulation are among some of the many factors that necessitate the continual review of services, interventions and tools used by MSOs to ensure that the marketplace operates fairly and effectively. Setting the rules of the marketplace is not enough. As a result, Industry Canada will concentrate its efforts on improving marketplace programs and services, increasing education and awareness, and enhancing compliance and enforcement with marketplace rules and regulations through initiatives such as those described below.

In 2004, the Canadian Intellectual Property Office (cipo.gc.ca) will implement new International Searching Authority and International Preliminary Examining Authority services under the Patent Cooperation Treaty administered by the World Intellectual Property Organization. This will enable clients to acquire patent rights worldwide, reinforcing the Department's commitment to continued excellence in the area of service delivery.

The Office of Consumer Affairs (OCA) is playing a leadership role in the development of International Organization for Standardization (ISO) standards for codes of conduct and dispute resolution. Two of the OCA's recent publications, *Voluntary Codes: A Guide for Their Development and Use* and *Consumer Complaints Management: A Guide for Canadian Business*, will assist its efforts in this regard. Use of the ISO standards is expected to enhance consumer satisfaction with a firm's products, services and activities, thereby decreasing the need for government intervention. In addition, OCA will be undertaking an assessment to identify appropriate opportunities for consumer service transformation, in line with the Government of Canada's service transformation agenda.

In response to user demands, the OCA has developed the Complaint Courier — a leading-edge tool that enables consumers to file complaints more effectively and efficiently. It is a major enhancement to the Canadian Consumer Information Gateway (consumerinformation.ca), which is a single gateway providing quick and reliable access to an abundance of consumer information and services offered by Canada's governments, industry organizations, consumer groups and others. Thanks to this new technology, consumers save time, are able to submit well-documented complaints and can easily navigate through the consumer complaint process. The objective for the 2004–2005 fiscal year is to continue to enhance both the Canadian Consumer Information Gateway and the Complaint Courier in response to consumer needs, and to focus on client outreach activities.

In the current networked economy, it is paramount that consumers, businesses and innovators have access to state-of-the-art, user-friendly tools and information in order to make more effective decisions. For this reason, Industry Canada will continue to ensure that Canadians have

access to reliable information to increase their confidence, protection and effectiveness in the marketplace. For instance, the OSB will continue to expand its e-filing system, initially launched in December 2002. This will provide Canadians with a more efficient and effective system, as it facilitates the filing of all documents by the trustee community.

Corporations Canada (corporationscanada.ic.gc.ca) has developed an on-line system whereby individuals can incorporate their business federally and, in many cases, register provincially, in one seamless transaction. This initiative has reduced the costs and the burden for entrepreneurs who previously had to follow two entirely different procedures. In order to further improve this service, Corporations Canada will expand the number of provincial/territorial partners so that Canadian entrepreneurs can register with more provinces/territories in a single transaction.

The Spectrum, Information Technologies and Telecommunications Sector will explore opportunities to modernize the spectrum management software to increase use, service delivery, spectrum access and post-market surveillance.

In recent years, applications in communications, commerce, defence and other areas have become more dependent on the national network infrastructure. Forest fires, power blackouts and various security concerns have raised our awareness of the vital role that critical infrastructure plays during an emergency. Industry Canada's Emergency Telecommunications program (spectrum.ic.gc.ca/urgent) works to ensure that Canadians continue to have access to essential services in the event that the nation's critical infrastructures are disrupted. This ongoing work will help address and change Canada's capacity to deal with threats to the telecommunications networks (a critical infrastructure), therefore ensuring that Canadians have continued access to telecommunications services in times of emergency.

To complement Canada's strengths in the emergency preparedness areas, Industry Canada, in collaboration with the telecommunications industry, is committed to enhancing the cyber-security of Canada's telecommunications and information infrastructure. In addition, Communications Research Centre Canada, in partnership with other Canadian organizations, will undertake further research on the security of wireless networks.

Improving Compliance with Marketplace Rules

Compliance and enforcement activities are key to ensuring consumer confidence in the marketplace and in addressing the perception that Canada is a haven for deceptive telemarketing and deceptive mail operations. The Competition Bureau, through various partnerships, will concentrate its resources on continuing to pursue, investigate and prosecute individuals and companies involved in deceptive telemarketing and mail operations in Canada. The Competition Bureau will also continue to increase consumer and business awareness of deceptive telemarketing and deceptive mail practices through communication campaigns designed to decrease vulnerability and victimization.

Cartel activity directed to illegal and anti-competitive market arrangements negatively affects Canadians: it limits competition among businesses and harms consumers through higher prices and reduced product choice. The Competition Bureau will continue to dedicate significant resources to enforcement efforts that identify, prosecute and actively deter domestic and international cartels. The Bureau will continue to encourage greater participation and collaboration among competition authorities and jurisdictions around the world in the development of laws and enforcement practices that deter cartels and contribute to a more competitive, global marketplace.

Furthermore, the OSB will continue to build upon the successes of its risk-based trustee compliance strategy, such as the Initiative for the Orderly and Timely Administration of Insolvency Estates, which focussed on trustees with aging estate inventories and/or banking deficiencies, in order to ensure a high degree of compliance with the *Bankruptcy and Insolvency Act*.

An innovative economy

| Estimated resource allocation by sector and number of full-time equivalents (FTEs) | | | | | | | | | |
|--|---------|-----------------|---------|---|---------|---------------------------------------|----------|--------------------------------|---------|
| Policy Sector | | Industry Sector | | Spectrum, Information Technologies and Telecommunications | | Communications Research Centre Canada | | Technology Partnerships Canada | |
| \$44.6M | 71 FTEs | \$73.6M | 97 FTEs | \$1.5M | 16 FTEs | \$37.9M | 421 FTEs | \$412.1M | 93 FTEs |

Innovation includes both the creative process of generating and applying knowledge, and the outcome of that process (i.e. new products or new processes). It means coming up with new ideas about how to do things better or faster by applying knowledge to the development of products and services. In the current, knowledge-based economy, innovation is a key driving force in creating wealth, economic growth and social development for Canadians. Innovation is also critical for improving eco-efficiency and making progress on sustainable development. For this reason, Industry Canada will continue to foster an environment that is conducive to innovation.

To improve Canada's innovation performance, Industry Canada will work with its private and public partners to address concerns and challenges identified during the Innovation Strategy Consultations. By 2010, the objective is to at least double the Government of Canada's current investments in R&D, and to rank among the top five countries in the world in terms of R&D performance.

In order to heighten the visibility of science and technology within the federal government and on a national basis, a National Science Advisor to the Prime Minister has been appointed to work closely with the Advisory Council on Science and Technology (ACST). Industry Canada serves as the secretariat to the ACST, providing support for its operation in both an advisory and an administrative capacity.

Budget 2004 Commitments

The Government of Canada will, through the Minister of Industry and the National Science Advisor, study how Canada's commercialization environment can be improved and how Canada can become a global leader in commercializing our intellectual property assets.

To further support federal science, the Canadian Biotechnology Strategy (biotech.ic.gc.ca) focusses on identifying and managing the opportunities and challenges created by the increasing use of biotechnology across many sectors of our society. Using biotechnology to achieve economic, environmental and health benefits depends on governments, academia and industry carrying out their specific roles and working collaboratively for the greatest impact. External advice will be integrated through the Canadian Biotechnology Advisory Committee. The committee undertakes comprehensive analyses, informed by stakeholder consultations, on a range of issues arising from biotechnology and its implications in society. More information on this horizontal initiative can be found in the TBS Horizontal Results Database (www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh_e.asp).

To achieve Canada's innovation goals, we must know where we stand. Assessing Canada's current innovation performance is vital for measuring our progress toward a more innovative economy. In this context, Industry Canada has commissioned, from The Conference Board of Canada, a report benchmarking our innovation performance. The report, which will be made public, will assess Canada's performance, based on a series of 17 innovation indicators, against 10 other countries, including those that are the best performers. Industry Canada will continue its efforts to better understand the strengths and weaknesses of our innovation systems through ongoing work to develop international innovation benchmarks and related indicators of performance.

Investing in Research and Development

Knowledge that is derived from R&D is a key driver of economic growth. In recent years, the federal government has invested heavily in research, particularly university research. This investment has been an important reason for Canada's improvement in R&D performance: from 15th to 12th place among Organisation for Economic Co-operation and Development (OECD) countries. To further enhance Canada's position, the Department will continue to develop mechanisms for building research capacity in all of Canada's universities.

The shift to a knowledge-based economy requires that Canada's investment strategy promotes the development of strategic enabling technologies, especially in areas such as information and communications technologies (ICTs), biotechnology, energy and environmental technologies, and nanotechnology. As announced in Budget 2004, the Government of Canada is committed to strengthening Canada's research capacity by providing Genome Canada (genomecanada.ca) with an additional \$60 million for research in genomics, the study of the genetic code of people and other living things. Investing in these technologies will allow Canada to compete globally and will ensure that the priority of employment growth is met in the years to come.

Budget 2004 Commitment

The Government of Canada will provide Genome Canada with an additional \$60 million to strengthen its research in genomics.

To ensure that cutting-edge small and medium-sized enterprises (SMEs) have the opportunity to undertake the necessary R&D, Technology Partnerships Canada (TPC) (tpc.ic.gc.ca), a special operating agency of Industry Canada, will continue to invest in SME technologies, both directly and through its partnership with the National Research Council Canada (NRC). For example, IRAP-TPC, a partnership with NRC's Industrial Research Assistance Program, invests in pre-commercial innovation projects that are being developed by companies with 500 or fewer employees and eligible project costs of \$3 million or less.

Another priority of the Department is to provide Canada's research and education communities with high-speed optical networking capability via CA*net4 (www.canarie.ca). CA*net4 is a high-performance network that links research networks and institutions throughout Canada, enabling the country's research community to pursue advanced research and development of applications in areas such as e-health, e-business, e-content and the environment. In order to facilitate significant research activities across Canada and around the world, the Department, in partnership with industry and academia and through CANARIE Inc., will continue to support the operation of CA*net4 up to 2007.

Encouraging Commercialization

For Canada to live up to its innovation potential, we must do a better job at commercializing and using new ideas and technologies that emerge from our R&D efforts. The private sector in Canada has a significant role to play, through the commercialization and adoption of technology, in harnessing the social and economic benefits of R&D. Unfortunately, commercialization by the private sector continues to lag behind that of leading OECD countries. To improve our commercialization performance and technology adoption rates, and to take full advantage of the strong and diverse knowledge base Canada possesses, the Department is committed to reviewing government support in the areas of research and commercialization. The Department will place greater emphasis on achieving excellence by addressing key research gaps and making targeted investments to further the development and adoption of key enabling technologies. The objective is to facilitate and encourage private sector commercialization, in all parts of the country, particularly for SMEs. With respect to the commercialization of university research, opportunities should be taken to facilitate greater collaboration between universities, government laboratories and the private sector.

Industry Canada is participating in an interdepartmental effort to assess key issues raised by a number of industrial sectors during the 2002 innovation consultations and to develop an evidence-based analysis of the problems with commercialization in Canada. Examples of the issues raised by industry include industry access to publicly funded research, technology planning and skills development.

In a global marketplace where companies are facing increasing difficulty in remaining competitive, technology planning is critically important. Industry Canada has developed an expertise in engaging industry and stakeholders in Technology Roadmapping, a planning process that provides a means to identify, evaluate and select among strategic alternatives for achieving technological objectives. Technology Roadmaps have recently been completed for Bio-based Feedstocks, Fuels and Industrial Products and Low-Cost Aerospace Composites. During 2004–2005, Technology Roadmaps for Cabin Management Systems (Aerospace), Prognostics and Health Management, and Biopharmaceuticals will also be completed.

Industry Canada's expertise with Technology Roadmaps has been recognized by the Asia-Pacific Economic Cooperation. Industry Canada has been invited to be a key participant in an international Technology Foresight / Technology Roadmapping exercise on future fuels.

Industry Canada will continue to encourage innovative growth by transferring technology developed by Communications Research Centre Canada (CRC) (crc.ca) to Canadian industry. CRC performs R&D on basic communications technologies across Canada: radio, satellite, broadcasting and fibre optics. Through various partnerships, CRC bridges the innovation gaps in Canada's telecommunications sector, enabling Canadian industry to develop competitive and innovative products and services. This also allows CRC to develop innovative and affordable solutions for bringing broadband services to all regions of Canada, especially underserved rural and remote areas.

In addition, through CRC's Rural and Remote Broadband Access Program, the Government of Canada will facilitate scientific and engineering research that will be used to enhance the affordability and availability of broadband services in rural and remote communities in Canada.

Promoting Strategic Enabling Technologies

Investing in and promoting research, development and use of strategic enabling technologies (nanotechnologies, biotechnologies, environmental and energy technologies, and ICTs) is a key part of the Government of Canada's overall strategy to develop knowledge in fields with good opportunities. These efforts will also help to provide innovative eco-efficient solutions to environmental challenges faced by industry. These fields include: pollution prevention, abatement and remediation, and sustainable energy alternatives such as hydrogen and fuel cell technologies.

The transition to a hydrogen economy presents a field with new opportunities and tremendous benefits for Canada. One of the Government of Canada's priorities is to maintain our position as a world leader in the evolution of a hydrogen economy. Industry Canada will continue to make strategic investments through TPC. For example, through TPC's Hydrogen Early Adopters (h2EA) program, launched in October 2003, the government is committed to working in partnership with industry to foster the development and early introduction in the Canadian

Budget 2004 Commitments

The Government of Canada will further strengthen the commercialization of university research through a five-year \$50-million pilot competitive fund. A competitive \$25-million fund for commercializing the results of research from federal labs will also be established.

An advisory committee will be established to provide guidance in designing and implementing these competitive processes.

marketplace of hydrogen and hydrogen-compatible technologies, such as fuel cells and technologies used to produce, store, distribute and use hydrogen. The program also underscores the importance of producing energy in a clean and efficient manner.

Industry Canada will also facilitate the development of several Climate Change Technology Roadmaps with the objective of accelerating the development of cost-effective technologies for greenhouse gas mitigation in multiple sectors. This will be done by building the intellectual foundation for long-term technological advances and by forming alliances and partnerships to help advance R&D, innovation and commercialization.

In addition to providing a sustainable solution to climate change and pollution, particularly in our cities, and presenting new opportunities for growth and investment for Canadian industry, other potential benefits of the hydrogen economy include the creation of high-quality jobs, and overall improvement in the quality of life for all Canadians.

● *Competitive industry and sustainable communities*

| Estimated resource allocation by sector and number of full-time equivalents (FTEs) | | | | | | | | | |
|---|----------|-------------------|----------|-----------------|----------|---|----------|--------------------------|---------|
| Policy Sector | | Operations Sector | | Industry Sector | | Spectrum, Information Technologies and Telecommunications | | Chief Information Office | |
| \$12.3M | 101 FTEs | \$469.0M | 479 FTEs | \$185.1M | 304 FTEs | \$169.7M | 249 FTEs | \$13.6M | 93 FTEs |

Investment, capital formation and innovation are critical to building a dynamic economy and improving the standard of living of Canadians. Investments increase the productivity and capacity of the economy and lead to innovation that creates competitive economic advantages. New trade opportunities evolve from successful investments. New investment and reinvestment are also crucial for industry to achieve Canada's sustainable development and environmental goals.

Industry Canada, in partnership with government and industry stakeholders, seeks to stimulate and attract new investments. This entails identifying actions that can improve the investment climate and promoting Canada's advantages, especially those in priority sectors. The goal of these activities is to increase awareness among potential investors of Canada's advantages and to pursue identifiable opportunities. According to objective international sources, Canada ranks high in terms of its business advantages and investment climate:

- The United Nations Conference on Trade and Development (UNCTAD) reports that Canada is a front-runner for foreign direct investment attraction (UNCTAD, *World Investment Report 2003*).
- Canada ranks first in having the lowest business costs in the G7 (KPMG, *CEO's Guide to International Business Costs*, 2004).
- Canada ranks first in the global business environment rankings forecast for 2004–2008 (The Economist Intelligence Unit, *Assessing the General Business Environment*, January 2004).
- Canada is forecast to rank eighth in global capital inflows for 2003–2007, capturing over 3 percent of world investment (The Economist Intelligence Unit, *World Investment Prospects*, March 2003).
- Canada's competitiveness rating is third overall, and second in the large country rankings (The International Institute of Management Development, *World Competitiveness Yearbook 2004*).

In emphasizing priority sectors, potential corporate investment opportunities are identified, particularly those value-added investments that address technology gaps and emerging technologies, and those with vertical and horizontal integration possibilities. The Department also responds to self-identified new investors and acts as a facilitator in the investment process. Industry Canada pursues these opportunities at selected international industry events and in meetings between corporate and government officials.

Investment Priority Sectors

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

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

investincanada.gc.ca

Economic growth also depends on international trade and access to foreign markets. An estimated one out of every four jobs in Canada is linked to success in the export market and the OCED has ranked Canada as the world's seventh largest exporter. With almost 50 percent of Canada's GDP resulting from international trade, Canada, more than any other G7 nation, relies on international trade for economic growth. In many sectors, significant potential exists for continued export growth into NAFTA markets, especially into Canada's most important market — the United States. According to a recent Bank of Nova Scotia report entitled *Global Research: International Views* (Summer 2004), markets in the Asia-Pacific region, Eastern Europe and South America will experience domestic growth rates exceeding those in the developed economies. Canadian companies and industries that are able to tap into this expansion should be able to realize higher rates of growth than those focussed solely on established markets.

On December 12, 2003, some trade-related activities were transferred to International Trade Canada. However, Industry Canada still has significant responsibilities for sectoral responses to the challenges and opportunities that increasing trade liberalization and globalization affords. Industry Canada focusses on trade promotion and sectoral assessments, and it actively promotes Canadian capabilities abroad through its leadership of the Trade Team Canada sectors, its participation in trade shows, incoming and outgoing business missions, and delivery of the Brand Canada program in partnership with ITCan and other Team Canada Inc members. In addition, the Department interacts with a broad range of trade-oriented industrial sectors and contributes its sectoral capacities to national efforts aimed at improving access to foreign markets, enhancing consumer and user access to competitive products and defending domestic industrial interests. In so doing, Industry Canada seeks to directly influence industrial policy and foreign trade, and contribute to Canada's economic development.

In Budget 2004, the Government of Canada emphasized its commitment to Canadian industry. For example, the government will prepare a national strategic framework for the Canadian automotive sector in the 21st century, with a strong emphasis on R&D. This strategic framework will consider the factors important to the longer-term growth of Canada's automotive sector, including a review of measures to support innovation related to the next generation of smart, fuel-efficient and hybrid vehicles, and renewable fuels.

In order to be sustainable in the long term, economic growth has to be paired with consideration for the environment. Industry Canada will continue to support a sustainable development strategy that enables Canadians to achieve a high standard of living, while investing in the well-being of future generations (*see pages 26 and 33 for more details on the strategy*).

Supporting the Social Economy

Social economy enterprises are run like businesses, producing goods and services for the market economy, but they manage their operations and redirect any profits in pursuit of social and

Trade Priority Sectors

- Aerospace and Defence*
- Agriculture Products, Agri-Food and Seafood
- Automotive*
- Bio-Industries*
- Cultural Products Services
- Environmental Industries,*
- Health Industries*
- Information and Communications Technologies*
- Natural Resources Technologies and Services (partly Industry Canada)
- Plastics*
- Service Industries*
- Wood Products and Other Building Materials*

*Sectors for which Industry Canada is responsible.

Budget 2004 Commitments

The Government of Canada will prepare a national strategic framework for the Canadian automotive sector in the 21st century, with a strong emphasis on R&D.

community goals. In recognition of the social economy sector's growing contribution to Canada's communities, Budget 2004 provides new funding for pilot programs to strengthen support in key areas, including capacity building and financing. Building upon existing community economic development programming and experience, Industry Canada — in partnership with Western Economic Diversification Canada, Canada Economic Development for Quebec Regions and the Atlantic Canada Opportunities Agency — will implement these Budget 2004 commitments.

Budget 2004 also increased support for the sector by confirming that it will become eligible for a wide range of programs currently offered to small business.

These include programs that provide financing and contributions to small businesses. Industry Canada will identify the specific financing needs of social enterprises and work with members of the Industry Portfolio to ensure that relevant programs are accessible to social economy enterprises.

Furthermore, access to patient capital is often a critical factor in the ability of social economy enterprises to grow. Industry Canada will investigate the financing needs of social economy enterprises and design financing tools to implement the Budget 2004 commitment. A competitive process will be designed to determine the recipients of the funds.

Understanding Access to Capital

Access to capital is fundamental to building the 21st century economy in Canada. Firms at all stages of development may face barriers in accessing financing. For the coming year, Industry Canada's research and analysis will focus on high-growth SMEs and the financing of innovative firms in order to understand the marketplace gaps or barriers these firms face.

The continued availability of venture capital ensures that businesses with high growth potential are able to bring their innovations to market. Industry Canada has spent the past few years developing a research agenda to improve its understanding of the risk capital market for SMEs. The Department is now in the process of developing policy options and recommendations regarding risk capital.

Determining the financing needs of growing Canadian businesses is of primary importance. In June 1999, Industry Canada, Statistics Canada and the Department of Finance Canada were asked to partner in collecting data on SME financing issues. Through this SME Financing Data Initiative, and other research and analysis, a comprehensive picture of SME financing, covering the entire spectrum of financing products and services, is provided. The initiative will facilitate more effective decision making on issues related to SME access to financing. The partners report their findings to parliamentarians, key external stakeholders and SMEs on an ongoing basis.

In cooperation with Canadian embassies and other partners, the Department also provides coordinated support services in Canada and overseas for the investment needs of identified multinationals. In priority industrial sectors, sector-specific investment strategies are developed to address sector- and company-specific issues that are key for multinational investors making location decisions. In addition, the Minister of Industry will continue to meet with the private sector at events like the World Economic Forum in order to attract investment into Canada.

Budget 2004 Commitments

Through Industry Canada and the regional development agencies, the Government of Canada will:

- lead a \$17-million pilot program over two years to support strategic planning and capacity building of community economic development organizations; and
- lead a \$100-million program over five years to increase lending to social economy enterprises and develop up to four regional "patient capital" funds for social enterprises.

Building a Skilled Work Force

Over the coming decades, demographic changes will put increasing pressure on Canada's capacity to grow. Canada's economic performance in an era of slow growing labour will depend crucially on our ability to innovate and to improve our productivity performance. To achieve this, we need to ensure that our economy has an adequate supply of highly qualified personnel and that workers are provided with the right set of incentives to participate in the knowledge-based economy. Canada's development and retention of highly qualified workers at home and ability to attract additional workers from abroad are key steps in that direction and will be key determinants of our success in this regard.

The ability of workers to move freely within Canada is an important component of a well-functioning Canadian economy. The federal government has re-engaged with the provinces and territories in discussions to improve the Agreement on Internal Trade. A key priority of these discussions will be further progress on the recognition across Canada, of workers' occupational qualifications, including those from abroad.

Industry Canada, in partnership with Human Resources and Skills Development Canada and the Social Sciences and Humanities Research Council, is participating in a medium-term applied research program on skills. One of the main goals of that partnership is to develop a shared view on skilled labour policy in support of a more innovative economy (strategis.gc.ca/epic/internet/ineas-aes.nsf/en/h_ra01877e.html).

Furthermore, in partnership with Citizenship and Immigration Canada, Human Resources and Skills Development Canada, International Trade Canada, and other stakeholders, Industry Canada will continue working to fast-track skilled workers who are entering Canada with job offers, attract top international students, and break down barriers to the recognition of foreign credentials and prior work experience.

Community Economic Development

All of the innovation players come together at the community level. By providing SMEs and Aboriginal business with both financial support and advisory services, Industry Canada is investing in the future of communities and encouraging growth in employment, income and productivity.

An important program designed to benefit small businesses is the Canada Small Business Financing (CSBF) program (strategis.gc.ca/csbfa). The CSBF program increases the availability of loans and leases for establishing, expanding, modernizing and improving small businesses, by encouraging financial institutions and leasing companies to make financing available to small businesses. Canadians benefit from the CSBF program, as it helps businesses grow and create jobs, resulting in a more dynamic Canadian economy.

Canada-Ontario Infrastructure Program

Industry Canada believes that modern infrastructure is the key to developing communities that are strong enough to attract new economic development, retain existing businesses and enhance the quality of life of their citizens.

The Canada-Ontario Infrastructure Program (COIP), the \$680.7-million Ontario component of the national Infrastructure Canada Program, is delivered by Industry Canada on behalf of Infrastructure Canada. Aimed at improving the quality of life for Ontario residents by investing in urban and rural areas of Ontario, the program's main priority is green municipal infrastructure. COIP also invests in sports, culture, tourism, transportation and innovation.

With the extraordinary and positive response to COIP, all federal funds currently available under the program have been earmarked for approved projects. In the months ahead, COIP expects to announce additional projects and the remainder of the federal commitment for Ontario.

(www.ic.gc.ca/coip-pico)

The CSBF program has a legislated comprehensive review every five years. The first review report must be tabled in both the House of Commons and the Senate by March 31, 2005. This review will determine if the program is meeting its dual objectives of cost-recovery and incrementality, and will assess if changes to the program are necessary.

Targeted programs in Northern and rural Ontario will continue to be priorities for Industry Canada. For example, the Federal Economic Development Initiative for Northern Ontario (FedNor) will continue to be a key instrument for the Department, supporting the development and sustainability of Northern Ontario and rural Ontario communities.

FedNor improves access to capital through loan loss reserves with financial institutions and through the provincial network of 61 Community Futures Development Corporations, which are strategically located throughout Northern Ontario and rural southern Ontario. Working in partnership with community and business leaders, FedNor will continue to support Northern and rural Ontario's adaptation to the knowledge-based economy. FedNor will also support projects involving communities, SMEs, technology centres and post-secondary institutions with a special focus on the resource sector. In addition, community innovation projects in rural southern Ontario will be supported through the Community Futures Program.

Aboriginal Business Canada (ABC) (abc-eac.ic.gc.ca) will continue to promote the creation and expansion of viable businesses in Canada that are owned and controlled by Aboriginal people. ABC's investments leverage considerable additional investment in support of Aboriginal businesses across Canada.

Supporting Participation in the Digital Economy

In a global, knowledge-based economy driven by rapid technological change, success is determined by the power to innovate. Connectedness is pivotal in empowering Canadians with the skills, competencies and tools necessary to innovate and take advantage of Canada's world-class ICT infrastructure. It also promotes sustainable development and provides Canadians with access to education, knowledge, commerce and opportunities in the communities in which they reside, providing all Canadians with the means to participate in the creation and sharing of knowledge.

Building upon past successes and a decade of investment in connecting Canadians to each other and the world, the Department will continue to create opportunities for all Canadian individuals, businesses and communities to acquire the skills, competencies and tools required to fully participate in the digital economy.

Access to Reliable and Modern Digital Infrastructure

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

To meet this challenge, Industry Canada will use a multi-faceted approach — developing policies and implementing frameworks — in partnership with other departments, other levels of government and the private sector. The objectives are to advance the opportunities for Canadians to access a modern digital infrastructure, ensure that they have the skills necessary to fully benefit from the digital economy, stimulate the development of advanced applications and tools, and foster confidence in the digital economy.

Budget 2004 Commitments

The Government of Canada will review the role of Community Futures Development Corporations and examine the possibilities for broadening and deepening their mandate.

Access to Reliable and Modern Digital Infrastructure

Industry Canada will continue to provide Canadians with access to a reliable digital infrastructure through:

- the Broadband for Rural and Northern Development Pilot Program (broadband.gc.ca);
- the National Satellite Initiative (broadband.gc.ca/pub/program/insi);
- the Emergency Telecommunications program (spectrum.ic.gc.ca/urgent), see page 15; and
- CA*net4 (www.canarie.ca), see page 17.

The Government of Canada is committed to ensuring that Canadians have equitable access to broadband services through such programs as the Broadband for Rural and Northern Development Pilot Program, and the National Satellite Initiative. The Pilot Program and the National Satellite Initiative partners with communities, provinces/territories, other federal government departments, regional development agencies and the private sector to lead the deployment of advanced information and communications infrastructure in Canadian communities, especially those affected by the digital divide, such as First Nations, Northern, rural and remote communities. In Northern Ontario and rural eastern Ontario, this will be further supported by FedNor. In addition, a high-speed link connecting Iqaluit with CA*net4 has been implemented. This connectivity provides real-time interactive learning opportunities, such as virtual music lessons for students and teachers. Planning is in progress to extend the CA*net4 to Yukon and Northwest Territories.

Fostering the development and uptake of Canadian-made, innovative on-line applications and services continues to be a focus of Industry Canada's work. However, technologies and electronic applications are rapidly evolving. In order for Canadians to move confidently into the digital economy, the structural and organizational barriers that prevent Canadians from realizing the benefits of the digital economy need to be addressed. Industry Canada will identify and assess the gaps that currently exist for individuals, businesses and communities. The Government continues to develop an enhanced policy framework to stimulate the development of advanced, enabling applications to ensure lifelong learning opportunities for all Canadians; to help businesses compete more effectively in the global, knowledge-based economy; and to promote entrepreneurship.

To further e-commerce adoption by business, Industry Canada will continue its successful Student Connections initiative (studentconnections.ca). Student Connections leverages partnerships with colleges and universities across Canada to deliver practical e-commerce and Internet training to SMEs each year. Student Connections will add On-Line Research for Business to its *E-Commerce First Step* suite of training services for SMEs.

Industry Canada is active in promoting the use of ICTs internationally in the overall development agenda. The approach highlights Canada's expertise in using ICTs to achieve socio-economic objectives, and contributes to the development of foreign markets geared toward the 21st century economy.

The first phase of the UN World Summit on the Information Society in late 2003 built high-level international support for the Connecting Canadians model, and broad appreciation for Canadian expertise. In 2004–2005, the federal government will lead preparations for the second phase of the Summit, building on the success of the first to continue the growth of the information society in Canada, while creating opportunities for Canadian companies and organizations to take advantage of Canada's recognized leadership, particularly in the markets of developing countries.

Improving On-Line Service

Industry Canada will continue to play a significant role in providing government services on-line. The Government of Canada's Government On-Line (GOL) initiative aims to deliver integrated, client-centred services to Canadians, anytime, anywhere and in the official language of their choice by 2005. Industry Canada met its accelerated GOL target of placing all key services on-line as of 2003 — two years ahead of the Government of Canada's target. (*Additional information on GOL can be found in section 4 on page 27.*)

Having met the GOL target, the Department will continue to develop, in collaboration with TBS and partner departments, a service to business vision that will set post-GOL directions consistent with the Government of Canada's service transformation agenda — providing integrated,

citizen-centred service delivery across a multi-channel, service delivery network. This will include integrating the Canada Business Service Centres and **BusinessGateway.ca**, and doing further planning for BizPaL (an on-line federal/provincial/territorial/municipal permits and licences portal). This vision will enhance the interactions between business and government, improving the performance of both.

In partnership with the Canadian e-Business Initiative (CeBI), Industry Canada has helped raise private sector awareness and use of e-business to increase innovation, thus improving Canada's productivity performance. Two of Industry Canada's on-line products, SourceCAN (sourcecan.gc.ca) and ebiz.enable (strategis.ic.gc.ca/ebizenable), will be enhanced to further meet the needs of Canadian businesses. SourceCAN will add new feeds and integrate e-supply chain features with other departments to provide more opportunities to small and medium-sized enterprises (SMEs) and promote Canadian capabilities to a larger audience.

The content of ebiz.enable will be enhanced to ensure that it remains current, detailed and consistent with industry needs. These capacity-building exercises will enable Canadians to increase their share of the global digital economy and assist SMEs in overcoming the barriers they face in adopting e-business practices.

Through the Assistive Devices Industry Office and the Web Accessibility Office, the Department will also continue to support access for persons with disabilities and senior citizens. This is achieved through the Department's support of the Common Look and Feel Initiatives, its lead on the Assistive Technologies section of the GOL Disability Cluster and its support to the Web Accessibility Initiative.

Encouraging Sustainable Development Through Eco-efficiency, and Corporate and Community Sustainability

Industry Canada will also continue to help companies achieve their sustainable development objectives by offering information products and tools for implementing corporate responsibility and eco-efficiency practices in business and communities. Encouraging corporate sustainability reporting will be an important element in this process. The Department will also partner with the business community and others to further its understanding of how corporate sustainable development practices drive value, as well as how sustainable development can be factored into investment decision making.

An example of factoring sustainable development into investment and trade decisions is the Sustainable Cities Initiative (strategis.gc.ca/epic/internet/inscin-idvd.nsf/en/Home). The Sustainable Cities Initiative focusses on the urban challenges facing cities in developing economies. Begun as a pilot in 1999, the initiative has been extended to 2005–2006. The initiative encourages trade and investment by providing opportunities to showcase Canada's expertise in sustainable development technologies and services. It allows the Canadian government, as well as non-governmental and private sector organizations, to work together in the pursuit of sustainable development opportunities in cities abroad.

In support of sustainable development, Industry Canada will also continue to work with industries to strengthen and support their innovation capacity and performance through Technology Roadmaps initiatives, by encouraging collaboration between industry and universities, and by helping Canadian companies incorporate lean manufacturing practices into their operations. The Department is also pursuing opportunities to enhance the sustainability of communities, including addressing the broadband connectivity needs of unserved Canadian communities and facilitating the establishment of a national e-waste recycling network.

Section 4:

Government-Wide Themes and Management Initiatives

Management Accountability Framework

Industry Canada continues to be actively engaged in advancing the principles of sound resource management and effective decision making.

The 2004–2005 fiscal year will be a transitional year that will allow the Department to re-assess its modern management agenda in light of the new TBS Management Accountability Framework (MAF). The MAF provides a list of management expectations that reflect the current management responsibilities of deputy heads and all public service managers. Because of its ongoing and sustained efforts in the Modern Comptrollership Initiative and other government-wide management initiatives, Industry Canada is well positioned to carry out this work.

Building on the progress achieved over the past year, through the Modern Comptrollership Initiative, Industry Canada's plans and priorities to implement modern management principles are outlined on its Web site (www.ic.gc.ca/mci).

Citizen-Focussed Service Improvement

Government On-Line

The Government of Canada's GOL initiative is committed to providing integrated, client-centred on-line service delivery to Canadians by 2005. Industry Canada set an accelerated GOL target of 2003, and is pleased to report that all of the Department's 17 key services are now on-line. Furthermore, most of these services provide complex informational and transactional e-services. Key programs such as the Newly Upgraded Automatic Name Search (NUANS, the corporate and trademark name search service), bankruptcy, federal incorporations and spectrum provide database queries, on-line transactions, e-payments and authentication. (*Additional information on GOL can be found in section 3 on page 25.*)

Canada consistently ranks as a leader in e-government, based on the number of on-line services offered, as well as its sophistication and client-centred approach to service delivery. In fact, Accenture has once again ranked Canada first in e-government maturity. This is the fourth consecutive year that Canada has been ranked first out of 22 countries for its maturity in e-government, including service breadth, service depth and customer relationship management.

As the lead in developing a forward-looking vision for the Government of Canada's on-line service to business, Industry Canada is developing a strategy that will articulate how these services could evolve beyond 2005 to better meet the increasing demands and changing needs of Canadian businesses.

On behalf of the Government of Canada, Industry Canada manages **BusinessGateway.ca**, which is the federal business portal featured on the Canada Site (canada.gc.ca). To improve service delivery to businesses, Industry Canada is integrating the Canada Business Service Centres (CBSCs) and **BusinessGateway.ca** into a multi-channel information service network. The on-line content and functionality of the CBSC Web site and **BusinessGateway.ca** will be integrated into one on-line presence. This move will bring together the multi-jurisdictional content strength of the CBSCs and the topic clustering of information on **BusinessGateway.ca** for an enhanced, streamlined client experience.

In an effort to significantly reduce the burden that complying with multi-jurisdictional regulations poses on businesses, Industry Canada plans to develop a pilot project called BizPaL — a Web-based tool for the identification, application and management of all permits and licences offered through Canada's three levels of government. The pilot project would be developed in phases, starting with the identification of licences and permits for a limited number of sectors and with a limited number of partners from the three levels of government.

Strategis (strategis.gc.ca) is Industry Canada's program delivery Web site for the business community. Comprising more than 200 subsidiary components, it offers a wealth of information products and is the front door to the programs and services offered by the Department. Strategis increasingly showcases key policy developments; the Strategis of the future will engage economic stakeholders directly in a dialogue on the framework policies that will shape Canada's economic road ahead.

Industry Canada's Web operations will continue to focus on achieving real impacts that are highly cost-effective for Canadians. Strategis now welcomes more than 50,000 daily users, who have indicated in surveys that the Web site saves them time and offers vital insights for the operation of their businesses. Efforts are underway to improve Strategis by ensuring that its content remains up-to-date and focussed on the right priorities.

Industry Canada's grants and contributions programs will continue to evolve their on-line presence by gradually implementing a seamless, end-to-end on-line environment for external clients and Industry Canada employees. This will be done using a multi-year, modular approach with priority components selected by grants and contributions program managers. The new on-line environment will improve client satisfaction and employee effectiveness by streamlining policies and business processes, and encouraging the development of service components that are shared by the Department and the Government of Canada.

In conjunction with TBS, the Department sits on the Accessibility Domain Architecture Team, which has the objective of promoting fully accessible GOL services to all Canadians. The Department's Assistive Devices Industry Office is leading the development of the Persons with Disabilities sub-portal on the Canada Web site (at-links.gc.ca).

Citizen-Centred Service Delivery

As the Department's GOL progress reflects, Industry Canada is playing a lead role in delivering government-wide services for Canadian businesses and entrepreneurs. The network of CBSCs and **BusinessGateway.ca** continue to improve and orient services toward on-line delivery and support to clients using the Internet channel. These services combine to provide businesses with a "click, call or visit" choice in how they access information on business programs and services.

The CBSCs are piloting a new approach to obtaining feedback on client satisfaction which shifts away from a formal "snapshot" evaluation every two to three years to an approach that provides ongoing feedback across all channels. The pilot project, which uses common measures of client satisfaction recommended by TBS, is currently underway and will be rolled out across the CBSCs. **BusinessGateway.ca** will also work to align its metrics for Web site use and feedback with the approach used by the Canada Site and other gateways.

In a continuous effort to improve services, the CBSCs are undertaking the following:

- revamping the popular on-line Interactive Business Planner according to user feedback (cbsc.org/ibp);
- reconfirming client needs in terms of information on business regulations; and
- redesigning the desktop tools of front-line staff to enable them to handle each type of inquiry efficiently with the full range of delivery channels.

The recently completed inter-jurisdictional survey, “Taking Care of Business,” provided businesses from across Canada with an opportunity to shape the evolution of the service delivery across all channels and all levels of government. In 2004–2005, the GOL Branch will analyse these findings and explore opportunities to improve service quality and service delivery. The focus will be on reducing the time businesses spend interacting with government and ensuring that businesses’ and government’s needs are met.

Other service improvement initiatives will also be undertaken across the Department. For example, FedNor is currently implementing its service improvement plan, which outlines measures to improve

- turnaround times on project proposals and payments;
- the overall proposal assessment and payment processes; and
- client communications.

These priorities were based on the results of client and staff surveys conducted in March 2002, using the Common Measurements Tool. Service improvement initiatives include client and staff training, e-business and the streamlining of internal processing systems. A second client survey in 2004–2005, will measure the degree of improvement in service delivery.

The Office of the Superintendent of Bankruptcy Canada has been improving its electronic name search service and has increased the percentage of those using the on-line search service from 73 percent in 2001–2002 to 81 percent in 2003–2004. The OSB expects this trend to continue in 2004–2005.

On behalf of TBS, Industry Canada is leading the BizPaL pilot project, which will integrate licence and permit information for business from three levels of government. The project will also explore the specific challenges of funding and collaborative governance for this unique shared service.

People: Exemplary Workplace

| |
|--|
| <p>Strategic Outcome: Industry Canada will pursue an integrated recruitment, representation, employee development and retention strategy responsive to business objectives and the provision of services to Canadians.</p> |
| <p>Key Result Commitment: General Human Resources Mandate</p> |
| <p>Priority: Ensure an up-to-date understanding of work environment issues and work force analysis (demographic trends, skills, employee perspectives) to be able to intervene with human resources management strategies that contribute to the fulfilment of departmental business objectives.</p> |
| <p>Plan:</p> <ul style="list-style-type: none"> • Analyse demographic trends and identify potential impacts on recruitment, designated group representation, training requirements, career development, succession planning and retention strategies. • Identify and monitor key performance indicators for human resources management. |
| <p>Key Result Commitment: Follow-Up to the 2002 Public Service Survey</p> |
| <p>Priority: Continue to respond to the results of the 2002 Public Service Employee Survey.</p> |
| <p>Plan:</p> <ul style="list-style-type: none"> • Support employee advisory committees for designated groups, young professionals and employee engagement, and continue to engage managers and employees in improving our workplace and assessing our progress. |

| |
|---|
| Key Result Commitment: Human Resources Modernization |
| Priority: Establish a state of departmental readiness for the implementation of the various components of human resources modernization. |
| <p>Plan:</p> <ul style="list-style-type: none"> • Establish new terms of cooperation with unions, develop rules of engagement and a new Informal Conflict Management System. • Develop and implement new accountabilities for the Deputy Minister, new staffing delegations and processes, and contribute to the development of a new Code of Values and Ethics. • Develop the framework for building strategic work force planning capacity and human resources plans in the Department. |
| Key Result Commitment: Strategies and Strategic Advice |
| Priority: Promote and enable sound human resources management decisions. |
| <p>Plan:</p> <p><i>Strategies and Advice on Organizational Structures and Classification</i></p> <ul style="list-style-type: none"> • Promote the implementation of sound organizational structures and informed classification decisions. • Establish clear accountabilities and responsibilities within organizational structures. • Strengthen performance management. • Enable the achievement of program delivery. <p><i>Work Force Information, Analysis and Advice</i></p> <ul style="list-style-type: none"> • Provide understanding of work force demographics and health of the organization. • Identify trends and issues. • Enable sound human resources management decisions and operational planning. <p><i>Strategies and Advice on Recruitment and Staffing</i></p> <ul style="list-style-type: none"> • Promote effective recruitment and staffing practices. • Enable having the right people in the right place at the right time. • Enable the achievement of program delivery. <p><i>Strategies and Advice on Human Resources Management</i></p> <ul style="list-style-type: none"> • Align human resources strategies with departmental business goals. • Strengthen management knowledge of human resources. • Promote informed management decisions. • Facilitate management of change. • Support workplace well-being. |
| Key Result Commitment: Direct Services and Operational Advice |
| Priority: Promote transparency and accountability. Support managers in meeting objectives and operational requirements. |
| <p>Plan:</p> <p><i>Advice on Resourcing and Recruitment</i></p> <ul style="list-style-type: none"> • Promote transparency and accountability. • Encourage succession planning, continuity and retention of talent. • Enable having the right people in the right place at the right time. • Support managers in meeting objectives and commitments. <p><i>Corporate Training</i></p> <ul style="list-style-type: none"> • Contribute to continuous learning. • Support learning activities related to Industry Canada's strategic outcomes and human resources management priorities. • Support career development and succession planning. • Improve morale and motivation. |

Labour Management Consultation

- Promote better communications and harmonious relationships.
- Improve operational effectiveness and productivity.
- Reduce costs (i.e. grievances, conflict, absenteeism).
- Foster better employee relations, which supports Industry Canada as a workplace of choice.

Compensation Services

- Support implementation of collective agreements and compensation plans.
- Provide information on compensation and benefits.
- Enable employees to make informed choices.
- Ensure employees are paid accurately and on time.

Career Counselling / Mentoring

- Contribute to career development.
- Facilitate sharing of experience and transferring of knowledge.
- Help employees match interests and capabilities with work.
- Improve employee morale.
- Support retention strategy.

Key Result Commitment: Human Resources Systems, Information and Practices

Priority: Enable timely access to strategic and operational human resources management and operational information to support decision making and enable continual program improvement. Increase the integrity and credibility of the organization.

Plan:*Human Resources Information System*

- Promote consistency and quality of information.
- Enable timely access to human resources planning and strategic information.
- Provide comprehensive, integrated information to facilitate management decisions.

On-Line Services and Tools

- Provide real-time information (i.e. leave).
- Provide information at a glance.
- Provide employees with easy access to information and tools.
- Reduce transactional costs.

Monitoring and Evaluation Programs

- Assess the quality and delivery of programs.
- Support departmental consistency in the management of human resources programs.
- Identify trends and issues.
- Enable continual program improvement.

Interpretation of Acts, Regulations, Policies, Procedures and Practices

- Promote consistent interpretation and application throughout the Department.
- Enable sound human resources management decisions.
- Increase the integrity and credibility of the organization.
- Reinforce corporate values and culture.

Key Result Commitment: Corporate Values and Culture

Priority: Promote the application of human resources management values throughout the Department. Position Industry Canada as a workplace of choice.

Plan:*Resourcing and Development Program*

- Promote the application of human resources management values throughout the Department.
- Encourage diversity and a representative work force.
- Support employee learning and career development.
- Strengthen the recruitment and retention capacity.
- Encourage bilingualism and linguistic duality.

Labour Management Relations Framework

- Foster a more productive and collaborative environment.
- Encourage behaviours that are consistent with corporate values.
- Promote positive employer–employee relations.

Employment Equity Program

- Promote a respectful, inclusive workplace.
- Encourage diversity and a representative work force.
- Enhance the credibility of the organization.
- Position Industry Canada to sustain a representative work force into the future.

Performance Management Program

- Improve quality of management practices.
- Facilitate open communications.
- Reinforce desirable behaviours.
- Influence cultural changes.
- Enhance business performance.

Strategies for Organizational Well-being

- Facilitate use of alternative work arrangements.
- Provide personal advisory and information services.
- Contribute to employee well-being and satisfaction.
- Sustain work force performance.
- Strengthen the recruitment and retention capacity.

Section 41 of the *Official Languages Act*

The Department and four regional development organizations have established a coordinated strategic framework to maximize participation by official-language minority communities in existing federal economic development programs and services. This framework integrates the government's *Action Plan for Official Languages*. Industry Canada and the regional development organizations will continue to implement this plan in 2004–2005 and consult with the minority communities to strengthen partnerships.

Sustainable Development Strategy

Industry Canada's third Sustainable Development Strategy (SDS III), 2003–06, commits the Department to playing a strategic enabler role and promoting innovative sustainable development solutions through the following strategic outcomes:

- innovation toward sustainable development;
- corporate and community sustainability; and
- sustainable development capacity building within Industry Canada.

These sustainable development strategic outcomes are being pursued through the results, deliverables and performance indicators presented in the following table.

In response to the recommendations in the *2003 Report of the Commissioner of the Environment and Sustainable Development*, the new strategy includes a more focussed set of deliverables, a more results-based performance measurement framework (consistent with Industry Canada's Modern Comptrollership Initiative), and a renewed departmental sustainable development reporting system.

SDS III and its related performance reporting information is available on the Department's Sustainable Development Web site (strategis.gc.ca/sd).

| Sustainable Development Strategic Outcome: Increase commercialization and adoption of eco-efficient tools and technologies. | |
|--|--|
| Target: Work in partnership with industry and others to demonstrate the contribution of eco-efficiency 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. | |
| Sustainable Development Strategic Outcome Area: Capacity building in R&D and skills | |
| Action Plan Items | Performance Indicators |
| <ul style="list-style-type: none"> • Supporting the Canada Foundation for Innovation (CFI) to build Canada's knowledge and research infrastructure | <ul style="list-style-type: none"> • Level of influence in providing policy advice and support to CFI project funding decisions |
| <ul style="list-style-type: none"> • Participating in the approval process for sustainable development-related research through the Networks of Centres of Excellence (NCE) in research fields related to automobiles, water, forest management and aquaculture | <ul style="list-style-type: none"> • Perceived influence of support to NCE project applicant assessment and selection process |
| <ul style="list-style-type: none"> • Increasing awareness and promoting the development of Canada's Green Advantage for developing bio-processes and bio-based industrial technologies, products and processes to reduce greenhouse gas emissions | <ul style="list-style-type: none"> • Level of awareness created through information dissemination and outreach efforts |
| <ul style="list-style-type: none"> • Building awareness of potential applications of nanotechnology by building research partnerships and eco-industrial clusters within government and industry to commercialize research | <ul style="list-style-type: none"> • Level of awareness created through information dissemination and outreach efforts |
| <ul style="list-style-type: none"> • Supporting the development of human capital / skills to address skilled worker shortages | <ul style="list-style-type: none"> • Level of support for the development, attraction and retention of highly qualified people |

| Sustainable Development Strategic Outcome Area: Promoting technology innovation | |
|---|--|
| Action Plan Items | Performance Indicators |
| <ul style="list-style-type: none"> Investing in sustainable technologies through Technology Partnerships Canada (TPC) | <ul style="list-style-type: none"> Number of sustainable development projects funded by TPC |
| <ul style="list-style-type: none"> Supporting Phase III of Precarn's R&D program to develop intelligent solutions to meet industry's needs | <ul style="list-style-type: none"> Number of sustainable development projects funded per annum |
| <ul style="list-style-type: none"> Promoting a 25-percent increase in the fuel efficiency of new light vehicles by 2010 as per federal commitment | <ul style="list-style-type: none"> Percent of new light vehicles with improved fuel efficiency |
| <ul style="list-style-type: none"> Supporting the development, commercialization and early adoption of hydrogen-based fuel-cell technology in the automotive sector | <ul style="list-style-type: none"> Increased hydrogen and fuel cell commercialization and early adoption |
| <ul style="list-style-type: none"> Working in partnership with other federal departments and with industry associations to strengthen the position of renewable energies in the Canadian and international marketplace | <ul style="list-style-type: none"> Strengthened market positioning of renewable energies in Canadian and international markets |
| Sustainable Development Strategic Outcome Area: Applying the tools in the marketplace | |
| Action Plan Items | Performance Indicators |
| <ul style="list-style-type: none"> Encouraging the development of Technology Roadmaps (TRMs) for forecasting future market needs and planning best approaches for marketing climate change technologies | <ul style="list-style-type: none"> Number of technologies identified, and number of industry commitments to technology development and commercialization-related actions arising from a TRM |
| <ul style="list-style-type: none"> Promoting innovative construction and architecture/engineering solutions to achieve greenhouse gas emission reductions | <ul style="list-style-type: none"> Extent of greenhouse gas emission reductions in buildings |
| <ul style="list-style-type: none"> Building awareness and promoting the commercialization and adoption of innovative manufacturing practices by industry that lead to more sustainable product and process designs | <ul style="list-style-type: none"> Number of companies that have implemented innovative manufacturing practices |
| <ul style="list-style-type: none"> Supporting the adoption of environmental stewardship approaches and tools for small businesses | <ul style="list-style-type: none"> Number of companies that have implemented environmental stewardship practices |
| <ul style="list-style-type: none"> Advancing the adoption of environmental supply chain management tools for small businesses | <ul style="list-style-type: none"> Number of companies that have implemented environmental supply chain management tools |
| <ul style="list-style-type: none"> Promoting Canadian climate change technologies and services abroad | <ul style="list-style-type: none"> Number of Canadian companies awarded contracts in overseas markets for environmental technologies and services |

| Sustainable Development Strategic Outcome: Increase use by industry, institutions and communities of corporate responsibility and sustainability practices. | |
|---|--|
| Target: Work in partnership with industry, 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. | |
| Sustainable Development Strategic Outcome Area: Promoting corporate responsibility and sustainability | |
| Action Plan Items | Performance Indicators |
| <ul style="list-style-type: none"> Advancing innovative sustainable development policy frameworks within the Government of Canada to include effective corporate sustainability perspectives | <ul style="list-style-type: none"> Effective and efficient regulatory regime for environmental protection |
| <ul style="list-style-type: none"> Broadening corporate social responsibility (CSR) information and awareness within Canadian industry | <ul style="list-style-type: none"> Enhanced knowledge and awareness by Canadian industry of CSR |
| <ul style="list-style-type: none"> Developing CSR tools and management capacity to improve the substantive bases for Canadian industry to act on CSR | <ul style="list-style-type: none"> Number of Canadian companies implementing CSR management tools and/or practices |
| <ul style="list-style-type: none"> Increasing the quantity, quality and credibility of sustainability reporting by Canadian industry | <ul style="list-style-type: none"> Number of new reporters per annum |
| <ul style="list-style-type: none"> Facilitating the establishment of a national e-waste recycling network in Canada to implement take-back programs for consumer electronics | <ul style="list-style-type: none"> Implementation of stewardship programs across Canada for electronic products |
| <ul style="list-style-type: none"> Demonstrating stewardship for the Internet through participation in and support of the Media Awareness Network and Cybertip | <ul style="list-style-type: none"> Level of participation and support for the Media Awareness Network's Web Awareness Canada initiative and Cybertip |
| Sustainable Development Strategic Outcome Area: Advancing local and global sustainability | |
| Action Plan Items | Performance Indicators |
| <ul style="list-style-type: none"> Implementing the Computers for Schools (CFS) program, which facilitates the re-use of thousands of surplus computers and other information technology products each year | <ul style="list-style-type: none"> Number of computers distributed to schools and libraries, and metric tonnes diverted from landfills to CFS re-use activities |
| <ul style="list-style-type: none"> Continuing to address the broadband connectivity needs of unserved Canadian communities by ensuring Canadians have equitable access to the Internet, and to demonstrate the enabling effects of ICT applications | <ul style="list-style-type: none"> Number of communities served Diffusion and uptake of new applications by communities, institutions and users |
| <ul style="list-style-type: none"> Promoting the Aboriginal Business Development Program for small businesses | <ul style="list-style-type: none"> Number of Aboriginal businesses receiving Aboriginal Business Canada contribution funding |
| <ul style="list-style-type: none"> Continued implementation and expansion of the Sustainable Cities Initiative (SCI) to improve the sustainability of cities in developing countries and demonstrate Canada's leadership in technology, expertise and products in support of urban sustainable development | <ul style="list-style-type: none"> Development of roadmaps with SCI partner cities, identification and implementation of projects |

| Sustainable Development Strategic Outcome: Enhance the capacity of Industry Canada's sustainable development management system. | |
|--|--|
| Target: Enhance the capacity of Industry Canada's management systems by focussing 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. | |
| Sustainable Development Strategic Outcome Area: Improving sustainable development planning, performance measurement and evaluation | |
| Action Plan Items | Performance Indicators |
| <ul style="list-style-type: none"> Integrating sustainable development in the Department's strategic planning and reporting frameworks | <ul style="list-style-type: none"> Extent of further integration of sustainable development language and commitments in corporate planning documents |
| <ul style="list-style-type: none"> Renewing the Greening Operations plan | <ul style="list-style-type: none"> Data on procurement, automotive fleet operations, non-hazardous materials and solid waste |
| <ul style="list-style-type: none"> Updating sustainable development evaluation initiatives | <ul style="list-style-type: none"> Completion of mid-term evaluation of SDS III Completion of SDS IV internal scan Refinement of the SDS III evaluation framework to provide a practical approach for the SDS III mid-term evaluation and the cumulative evaluation Development of the SDS IV evaluation framework |
| <ul style="list-style-type: none"> Improving sustainable development training and awareness | <ul style="list-style-type: none"> Number of participants in courses, lectures and workshops |
| <ul style="list-style-type: none"> Promoting sustainable development through senior management champions | <ul style="list-style-type: none"> Level of senior management support |
| <ul style="list-style-type: none"> Supporting Industry Canada's sustainable development challenge | <ul style="list-style-type: none"> Number of participants registered in sustainable development challenge Calculated emission reductions Fitness levels of employees |

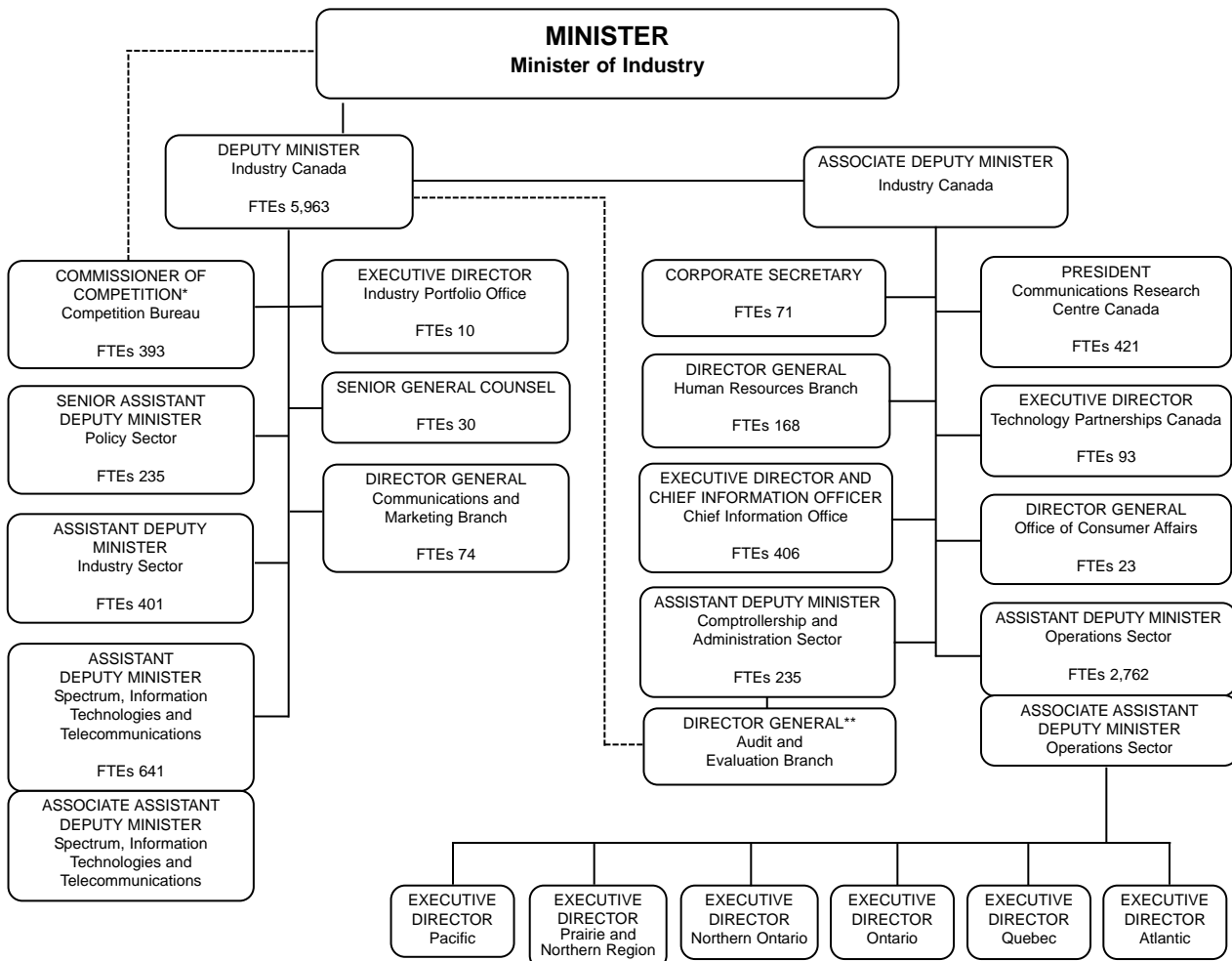
Section 5:

Financial Information and Accountability

In accordance with TBS guidelines, the figures provided throughout this section reflect the new organization announced on December 12, 2003. Those functions transferred to the new department, International Trade Canada, are not included.

5.1 Accountability and Organizational Structure

Industry Canada's organizational chart depicts the Department's accountability structure. Included in the chart are the number of full-time equivalents across the organization. The Department reports on plans and priorities, and performance, according to its strategic outcomes. Financial reporting is done by business line, in accordance with the Department's Planning, Reporting and Accountability Structure.



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

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

5.2 Matching Resources to Strategic Outcomes

Departmental Resource Allocation by Strategic Outcomes

The figures provided in the following table represent an approximate allocation of funds to each strategic outcome.

| Departmental Resource Allocation (millions of dollars) | A fair, efficient and competitive marketplace | An innovative economy | Competitive industry and sustainable communities | Corporate Management and Governance | Sector Total |
|--|--|------------------------------|---|--|---------------------|
| Net Planned Spending* | | | | | |
| Industry Canada Sectors | Total | Total | Total | Total | Total |
| Policy Sector | 7.3 | 44.6 | 12.3 | | 64.2 |
| Industry Sector | 0.0 | 73.6 | 185.1 | | 258.7 |
| Competition Bureau | 38.4 | 0.0 | 0.0 | | 38.4 |
| SITT Sector | 51.5 | 1.5 | 169.7 | | 222.7 |
| Operations Sector | 59.3 | 0.0 | 469.0 | | 528.3 |
| Communications Research Centre Canada | 0.0 | 37.9 | 0.0 | | 37.9 |
| Technology Partnerships Canada | 0.0 | 412.1 | 0.0 | | 412.1 |
| Office of Consumer Affairs | 4.6 | 0.0 | 0.0 | | 4.6 |
| Chief Information Office (Program delivery) | 0.5 | 0.0 | 13.6 | | 14.1 |
| Other** | | | | 120.7 | 120.7 |
| Total | 161.6 | 569.7 | 849.7 | 120.7 | 1,701.7 |

* Figures are based on the Budgetary Main Estimates for 2004–2005, net of revenues, including Employee Benefits Plan (EBP) and planned spending adjustments.

** Represents organizations such as Comptrollership and Administration Sector, Human Resources Branch, and Chief Information Office (Corporate Services). The total includes other planned spending adjustments not yet identified to a particular strategic outcome.

The information in the following financial tables is presented in accordance with the Department's approved Planning, Reporting and Accountability Structure and corresponds to its three principal lines of business: Micro-Economic Policy, Industry Sector Development, and Marketplace Rules and Services.

5.3 Planned Spending and Full-Time Equivalents

| Departmental Planned Spending | | | | |
|--|------------------------------------|---|----------------------------------|----------------------------------|
| (millions of dollars) | Forecast Spending 2003–2004* | Planned Spending 2004–2005 | Planned Spending 2005–2006 | Planned Spending 2006–2007 |
| Micro-Economic Policy | 556.7 | 48.5 | 40.7 | 40.7 |
| Marketplace Rules and Services | 268.3 | 305.2 | 306.5 | 315.6 |
| Industry Sector Development | 1,142.9 | 1,204.2 | 849.7 | 615.6 |
| Corporate and Management Services | 119.9 | 114.4 | 113.6 | 113.7 |
| <i>Budgetary Main Estimates (gross)</i> | <u>2,087.8</u> | <u>1,672.3</u> | 1,310.5 | 1,085.6 |
| Industry Sector Development | 0.0 | 0.8 | 0.8 | 0.8 |
| <i>Non-Budgetary Main Estimates (gross)</i> | 0.0 | 0.8 | 0.8 | 0.8 |
| Less: Respendable Revenue | 166.4 | 194.6 | 205.5 | 212.9 |
| Total Main Estimates | 1,921.4 | 1,478.5 | 1,105.8 | 873.5 |
| <i>Adjustments (Planned Spending not in Main Estimates):</i> | | | | |
| <i>Budget 2004:</i> | | | | |
| Genome Canada | | 60.0 | 0.0 | 0.0 |
| Community Access Program | | 25.0 | 25.0 | 0.0 |
| SchoolNet Program | | 25.0 | 25.0 | 0.0 |
| Commercializing Federally Sponsored Research | | 10.0 | 10.0 | 10.0 |
| FedNor — Economic Development Needs in Eastern Ontario | | 10.0 | 0.0 | 0.0 |
| Competition Bureau | | 8.0 | 8.0 | 0.0 |
| Supporting Social Economy — Financing | | 7.0 | 7.0 | 7.0 |
| Commercializing Research Performed in Federal Labs | | 5.0 | 5.0 | 5.0 |
| Supporting Social Economy — Capacity Building | | 3.5 | 3.5 | 3.5 |
| Reducing Paperwork Burden for Small Business | | 1.0 | 1.0 | 1.0 |
| Protection of Children from Sexual Exploitation on the Internet | | 0.6 | 0.6 | 0.6 |
| <i>Budget 2003:</i> | | | | |
| Official Languages Action Plan, Economic Development (Remainder) | | 0.5 | 0.5 | 0.5 |
| <i>Budget 2000:</i> | | | | |
| FedNor — Community Futures Program | | 0.0 | 7.4 | 7.4 |
| Lawful Access to Information and Communications to Ensure Public Safety and Security | | 0.0 | 0.3 | 0.3 |
| <i>Budget 1999:</i> | | | | |
| Youth Employment Strategy, SchoolNet and Community Access Programs | | 16.3 | 16.3 | 16.3 |
| Youth Employment Strategy, Student Connections Program | | 3.5 | 3.5 | 3.5 |
| <i>Access to Repayable Contributions Receipts:</i> | | | | |
| Technology Partnerships Canada Program (TPC) | | 28.0 | 0.0 | 0.0 |
| Other | | 19.9 | 37.1 | 29.4 |
| <i>Other Adjustments:</i> | | | | |
| Canadian Apparel and Textiles Industries Program | | 2.3 | 4.9 | 4.9 |
| Canadian Biotechnology Strategy Fund | | 0.0 | 9.5 | 9.5 |
| Transfer to International Trade Canada (excluding indirect costs) | | 0.0 | (17.4) | (17.4) |
| TPC Vote Transfer — Accommodation Costs | | (0.2) | (0.2) | (0.2) |
| Transfer to new Office of the Ethics Commissioner | | (1.3) | (1.3) | (1.3) |
| Total Adjustments to Planned Spending | 0.0 | 224.0 | 145.6 | 79.9 |
| Net Planned Spending** | 1,921.4 | 1,702.5 | 1,251.4 | 953.4 |
| Less: Non-Respendable Revenue | 245.0 | 390.0 | 409.8 | 461.7 |
| Plus: Cost of Services Received Without Charge | 77.2 | 75.0 | 71.2 | 77.3 |
| Net Cost of Program | 1,753.6 | 1,387.5 | 912.8 | 569.0 |
| Full-Time Equivalents | 6,015 | 5,963 | 6,038 | 6,038 |

* Reflects the best forecast of total planned spending to the end of the fiscal year.

** Includes Non-Budgetary Main Estimates amount of \$0.8M.

Planned spending in 2004–2005 is lower than that forecasted for 2003–2004. This is mainly due to lower planned spending in the Micro-Economic Policy business line. This is a result of a \$500-million grant to the Canada Foundation for Innovation in 2003–2004, announced in Budget 2003. (This grant was delayed from 2002–2003.) The Department received additional funding for a number of initiatives as announced in Budget 2004. These initiatives, as shown in Table 5.3, include the following:

- Genome Canada received \$60 million in funding for 2004–2005 (*see pages 17 and 51*). This grant builds on previous investments that fund research in genomics.
- Following a review of all programs and initiatives under the Connecting Canadians umbrella, SchoolNet and the Community Access Program (*see pages 44 and 46*) received an additional two years of funding, \$25 million each for 2004–2005 and 2005–2006.

Planned spending for 2005–2006 and 2006–2007 decreases as a result of reductions in current planned funding for grants and contributions programs, and the transfer of some responsibilities to International Trade Canada:

- Canada-Ontario Infrastructure Program, Technology Partnerships Canada, the Broadband for Rural and Northern Development Pilot Program, Softwood Industry and Community Economic Adjustment Initiative, and Structured Financing Facility are programs that currently show reductions in overall planned spending.
- The transfer of some portions of Industry Canada to International Trade Canada will result in reductions of \$17.4 million in planned spending (excluding indirect costs) for 2005–2006 and 2006–2007. For 2004–2005, a reduction of \$20.7 million was already included in the Main Estimates figures.

5.4 Financial Summary Tables

Table 1: Summary of Capital Spending by Program and Business Line

| (millions of dollars) | Forecast Spending 2003–2004 | Planned Spending 2004–2005 | Planned Spending 2005–2006 | Planned Spending 2006–2007 |
|------------------------------------|-----------------------------------|---|----------------------------------|----------------------------------|
| Industry Sector Development | 0.3 | 5.7 | 1.1 | 0.1 |
| Total | 0.3 | 5.7 | 1.1 | 0.1 |

Table 2: Details on Project Spending

| (millions of dollars) | Current Estimated Total Cost | Forecast Spending to March 31, 2004 | Planned Spending 2004–2005 | Planned Spending 2005–2006 | Planned Spending 2006–2007 |
|--|------------------------------------|---|---|----------------------------------|----------------------------------|
| Industry Sector Development | | | | | |
| Communications Research Centre Canada — Photonics Facility Project Implementation Phase (Effective Project Approval) | 7.8 | 0.3 | 5.7 | 1.1 | 0.1 |
| Total | 7.8 | 0.3 | 5.7 | 1.1 | 0.1 |

Table 3: Summary of Transfer Payments by Business Line

| (millions of dollars) | Forecast Spending 2003–2004 | Planned Spending 2004–2005 | Planned Spending 2005–2006 | Planned Spending 2006–2007 |
|---------------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Grants | | | | |
| Micro-Economic Policy | 517.8 | 17.8 | 6.8 | 6.8 |
| Marketplace Rules and Services | 0.1 | 0.1 | 0.1 | 0.1 |
| Industry Sector Development | 88.5 | 60.0 | 0.0 | 0.0 |
| Total Grants | 606.4 | 77.9 | 6.9 | 6.9 |
| Contributions | | | | |
| Micro-Economic Policy | 0.2 | 0.6 | 0.0 | 0.0 |
| Marketplace Rules and Services | 1.8 | 1.7 | 1.7 | 1.7 |
| Industry Sector Development | 807.2 | 1,118.6 | 767.3 | 518.3 |
| Total Contributions | 809.2 | 1,120.9 | 769.0 | 520.0 |
| Total Grants and Contributions | 1,415.6 | 1,198.8 | 775.9 | 526.9 |

Table 4: Details on Transfer Payments Programs (\$5 million and over)

| |
|---|
| Business Line: Micro-Economic Policy |
| International Telecommunication Union, Switzerland |
| \$6,808,000 |
| Objectives |
| To secure Canada's rights in international communications matters affecting radiocommunication, standardization and development, consistent with the Minister of Industry's authority as stipulated in the <i>Radiocommunication Act</i> and the <i>Department of Industry Act</i> . |
| Planned Results |
| Membership allows Canada to achieve results across a broad range of issues affecting the international management of radio frequency spectrum and satellite orbits, the efficient and timely production of international standards, and the facilitation of connectivity in developing countries to help bridge the digital divide. |
| Milestones |
| Activities with an impact on the International Telecommunication Union (ITU) program include the following: <ul style="list-style-type: none"> • Preparation for and participation in the 2004 World Telecommunication Standardization Assembly • Preparation for and participation in the annual meetings of the ITU Council, the ITU Radiocommunication Advisory Group, the Telecommunication Development Advisory Group, and the Telecommunication Standardization Advisory Group • Preparation for and participation in various meetings for the 2007 World Radiocommunication Conference and Assembly |
| The Medical and Related Sciences (MaRS) Discovery District |
| \$10,000,000 (marsdd.com) |
| Objectives |
| <ul style="list-style-type: none"> • To facilitate commercialization of the results of Canadian medical and related scientific research by bringing together the best in the science and business communities. • To support nascent biotechnology companies that spin off from medical research institutions by providing them with the physical infrastructure as well as the business and financial services they need to be successful. |

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| <p>Planned Results</p> <p>MaRS will deliver its comprehensive commercialization program by means of its physical infrastructure and its virtual infrastructure. The Discovery District, with its laboratories, business, and financial services, constitutes the physical part, while a network throughout Ontario and across the country will comprise the virtual part. A powerful virtual cluster will support a network of science parks, research centres and institutes where medical science is converging with disciplines not traditionally related to medicine. MaRS will help Canadians achieve the full social and economic benefit of their investments in innovation.</p> |
| <p>Milestones</p> <p>Construction of the main building of the MaRS Discovery District will be completed by March 2005. At that time, MaRS will welcome its first tenants, offering these very young companies a full range of financial and business services to help them commercialize research discoveries.</p> |
| <p>Business Line: Industry Sector Development</p> |
| <p>Aboriginal Business Canada Programs (Aboriginal Business Development Program and Aboriginal Business Loan Insurance Program)</p> <p>\$38,250,000 (abc-eac.ic.gc.ca)</p> |
| <p>Objectives</p> <p>To increase the number of viable businesses in Canada that are owned and controlled by Aboriginal Canadians, and improve access to business opportunities, increase self-reliance and provide a supportive business environment for Aboriginal Canadians in all areas of Canada.</p> |
| <p>Planned Results</p> <p>Aboriginal Business Canada (ABC) has confirmed its long- and short-term outcomes through the development of a logic model. The ultimate outcome for ABC is the creation and expansion of viable businesses in Canada that are owned and controlled by Aboriginal people.</p> |
| <p>Milestones</p> <p>The milestones in achieving the ultimate outcome are categorized as immediate and intermediate outcomes.</p> <p>Immediate outcomes include the following:</p> <ul style="list-style-type: none"> • Increased take-up of grants and contributions funding, especially in enhanced program and gap areas • Enhanced program service delivery, including enhancements to external networks of external development organizations / alternative service delivery organizations, as well as internal enhancements • Enhanced availability of developmental loan capital, including improved operations and administration of Aboriginal business development organizations and Aboriginal financial institutions • Departmental expertise in Aboriginal issues <p>Intermediate outcomes include the following:</p> <ul style="list-style-type: none"> • Improved access to business financing • Improved business management skills • Improved access to markets • Strengthened Aboriginal business and financial organizations • Increased coordination and coherence of federal business development policies and programs |
| <p>The Broadband for Rural and Northern Development Pilot Program</p> <p>\$76,500,000 (broadband.gc.ca)</p> |
| <p>Objectives</p> <ul style="list-style-type: none"> • To contribute to the Government of Canada's goal of ensuring that all Canadian communities have access to affordable broadband services. • To assist communities in developing and implementing business plans for broadband connectivity, thereby providing an incentive for private sector deployment. • To increase the number of communities with broadband access. |

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| <p>Planned Results</p> <p>The Broadband for Rural and Northern Development Pilot Program will bring broadband, or high capacity Internet, to unserved rural, remote and First Nations communities. By strengthening the competitive advantage of such communities through broadband infrastructure, the program facilitates a new and growing potential for non-urban communities to access e-government, e-learning, e-health and applications for e-commerce, including the possibility of marketing community services worldwide.</p> <p>Thus far, the Broadband for Rural and Northern Development Pilot Program has demonstrated its capacity to leverage more than \$2 for every \$1 provided to recipient communities. Complementary investments by other federal government departments, regional development agencies, provinces, territories and the private sector have also made significant contributions to the extension of broadband networks to unserved communities.</p> |
| <p>Milestones</p> <p>In 2004–2005, the Broadband for Rural and Northern Development Pilot Program will begin bringing connectivity to approximately 762 unserved Canadian communities, including 139 First Nations communities, through the roll-out of its first and second rounds of implementation projects.</p> |
| <p>Canada-Ontario Infrastructure Program (COIP)</p> <p>\$208,916,000 (ic.gc.ca/coip-pico)</p> |
| <p>Objectives</p> <p>To improve the quality of life by investing in municipal infrastructure, with the following goals:</p> <ul style="list-style-type: none"> • Enhancing the quality of our environment • Supporting long-term economic growth • Improving community infrastructure • Building a 21st-century infrastructure through innovative partnerships, new approaches and best practices |
| <p>Planned Results</p> <p>Federal and provincial contributions to urban and rural municipal infrastructure projects in Ontario are expected to stimulate more than \$2 billion in capital investments over the life of the program. Investment targets are 40 percent for “green” municipal infrastructure projects (e.g. water and waste-water systems) and a minimum of 15 percent for projects in rural communities.</p> |
| <p>Milestones</p> <p>With the extraordinary and positive response to COIP, all federal funds available under the current program have been earmarked for approved projects. In the year ahead, additional announcements will be made accounting for the remainder of the \$680.7-million federal commitment under the program.</p> |
| <p>Canada Small Business Financing Program</p> <p>Liabilities under the <i>Small Business Loans Act</i>: \$16,630,000 Liabilities under the <i>Canada Small Business Financing Act</i> — Loan Component: \$89,340,000 Liabilities under the <i>Canada Small Business Financing Act</i> — Lease Component: \$200,000 (strategis.gc.ca/csbf)</p> |
| <p>Objectives</p> <p>To encourage private sector lenders and lessors to increase the availability of loans and capital leases for the purpose of the establishment, expansion, modernization and improvement of small businesses.</p> |
| <p>Planned Results</p> <p>The Department will deliver a loan and lease loss-sharing program (under the authority of the <i>Canada Small Business Financing Act</i>) in partnership with private sector lenders and lessors to increase access to financing by small businesses.</p> |
| <p>Milestones</p> <p>Two major undertakings are planned for 2004–2005. The first is an evaluation of the loan component of the Canada Small Business Financing Program in accordance with the Results-Based Management and Accountability Framework. The second is a comprehensive review resulting in a report to be tabled in Parliament by March 31, 2005.</p> |

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| Canadian Apparel and Textiles Industries Program (CATIP) | |
| \$6,681,000 | |
| Objectives | |
| To encourage Canadian enterprises to identify and undertake innovative projects, diversify their products, develop niche markets, and adopt technology best practices. | |
| Planned Results | |
| CATIP has three major components: | |
| <p>1. Firm Component: Assist apparel and textile firms with efforts to improve productivity, evaluate export market opportunities, develop and implement e-commerce initiatives, and develop comprehensive business plans. Expected to conclude on March 31, 2005, and is no longer accepting new funding requests. An additional 50 to 60 projects will be approved in 2004–2005, thus bringing the total approved projects for this program component to approximately 140 to 150.</p> | |
| <p>2. Textile Production Efficiency Component: This is a new CATIP program element. In the first year, it is expected that 25 projects will be approved, with the objective of increasing productivity and/or efficiency in textile manufacturing.</p> | |
| <p>3. National Initiatives Component: Assist non-private sector applicants, such as industry associations, to develop national initiatives in support of issues such as global marketing, product branding, and e-commerce.</p> | |
| Milestones | |
| At the conclusion of each component of the program, all completed projects will be reviewed to determine the level of success, and a concluding report will be prepared indicating success rates. In addition, approximately 8 percent of projects will be audited to determine compliance with program criteria and to verify payment claims. The selection for audit will be based on a formula developed for the Risk-Based Audit Framework which identifies projects by risk rating. | |
| Consultations through the Textile Apparel Working Group will continue to ensure that the program is responsive to industry needs. | |
| Commercializing Federally Sponsored Research in Universities and Research Hospitals | |
| \$ 10,000,000 | |
| Objectives | |
| To improve the commercialization capacity of universities and research hospitals by allotting \$50 million over five years for a pilot fund. Granting councils and consortia of universities and research hospitals are eligible for funding, on a competitive basis. | |
| A private sector advisory committee will be established to guide the design and implementation of a competitive process, which will include setting objectives and criteria for evaluating proposals. | |
| Planned Results | |
| Improved commercialization capacity of Canadian universities and research hospitals, which will enable these institutions to bring new research discoveries to the market faster and more efficiently, and will help Canada capitalize on its investment in research. | |
| Milestones | |
| Establish an advisory committee made up of representatives from the private sector with experience and knowledge in the development and financing of commercialization initiatives. Work with the advisory committee, in the fall of 2004, to design the structure and operation of the fund. Subject to parliamentary approval of the details of the fund, the program will be launched either late in FY 2004–2005, or early in the next fiscal year. Allowing time for the preparation of proposals, funding to individual projects will start in FY 2005–2006. | |
| Community Access Program (CAP) | |
| \$ 21,150,000 | (cap.ic.gc.ca) |
| Objectives | |
| To ensure that Canadians have affordable public access to the Internet and the skills to use it. | |

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| <p>Planned Results</p> <ul style="list-style-type: none"> • Sustainability funding for CAP sites across the country to provide public access through schools, libraries, community organizations, and government and other facilities, in partnership with provincial and territorial governments and more than 100 CAP networks. • Promoting public awareness of the benefits and opportunities of using ICTs to hundreds of thousands of Canadians. • Providing millions of hours of training to help citizens learn how to effectively use ICTs. • Supporting on-line delivery of government programs and services through CAP sites. |
| <p>Milestones</p> <p>For fiscal year 2004–2005, CAP will fund sites across the country in partnership with provincial and territorial governments, and private sector and community organizations.</p> |
| <p>Federal Economic Development Initiative for Northern Ontario (FedNor)</p> <p>FedNor: \$46,300,000 Community Futures Program (Ontario): \$20,160,000 (fednor.ic.gc.ca)</p> |
| <p>Objectives</p> <p><i>FedNor:</i> To promote economic development in Northern Ontario, leading to a strengthening of the national economy and contributing to the successful development of business and job opportunities.</p> <p><i>Community Futures Program:</i> To support community economic development by assisting communities to develop and diversify their economies through strategic community planning, business services and access to capital.</p> |
| <p>Planned Results</p> <p><i>FedNor</i></p> <p>Access to Capital for Small Business</p> <ul style="list-style-type: none"> • Increased incidence of higher-risk business financing for SMEs. <p>Access to Information for Small Business</p> <ul style="list-style-type: none"> • Enhanced knowledge and use of ICTs. <p>Access to Markets for Small Business</p> <ul style="list-style-type: none"> • Enhanced business innovation and competitiveness. • Increased awareness of exporting opportunities, enhanced knowledge and use of trade skills on the part of SMEs. <p>Promotion of Sustainable, Self-Reliant Communities</p> <ul style="list-style-type: none"> • Greater degree of community-based decision making and community capacity, leading to stronger local economies, including for Aboriginal communities, and improved adaptation to the knowledge-based economy. • Retention and development of human capital. <p>Community Futures Program</p> <ul style="list-style-type: none"> • Community capacity building through the development and implementation of strategic community plans. • Business counselling and information services delivered to SMEs. • Enhanced access to capital for existing businesses and for entrepreneurs to create new businesses. |
| <p>Milestones</p> <ul style="list-style-type: none"> • Increased partnerships with Community Futures Development Corporations and financial institutions to address financing gaps for Northern and rural SMEs. • Contribution funding in support of initiatives that encourage and improve the capacity for innovation in Northern and rural communities and SMEs. • Provision of key services to raise awareness of trade opportunities, develop trade skills and capacity, and support new international market development. • Support for enhanced community capacity for local planning and development. |

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| Information Highway Applications Branch — Youth Employment Strategy (IHAB–YES) | |
| \$14,760,000 | (youth.gc.ca) |
| Objectives | |
| To provide work internships to youths with ICT skills between the ages of 15 and 30 to give them an edge in the knowledge-based economy in Canada and abroad. | |
| Planned Results | |
| Community organizations, schools, businesses and the general public will improve their knowledge of the Internet and gain technology-related skills. | |
| YES helps in providing: | |
| <ul style="list-style-type: none"> • A skilled work force and other social, educational and economic benefits associated with the expanded use of new information technologies. • Meaningful work experience for youth, allowing them to obtain marketable ICT skills and other important skills, such as communication, leadership, teamwork, analytical thinking and creativity. • Increased employment prospects for youth, making them more productive in the knowledge economy. • An end to the cycle of “no experience, no work” that many youth face, especially those who face employment barriers. • Transferable skills in marketing, promotion, research, teaching and training, and communications skills for youth. | |
| Milestones | |
| For fiscal year 2004–2005, IHAB will engage at least 2,500 youths through its various programs, such as the Community Access Youth Initiative, SchoolNet Youth Initiative and NetCorps Canada International. These youths will gain skills that can be transferred to longer-term employment. | |
| SchoolNet | |
| \$16,700,000 | (schoolnet.ca) |
| Objectives | |
| <ul style="list-style-type: none"> • Work to position Canada at the global forefront of e-learning readiness. • Support the innovative use of ICTs to develop employability skills. • Promote the competitiveness of the e-learning industry. | |
| Planned Results | |
| <ul style="list-style-type: none"> • Increased access to and effective use of ICTs by Canadian learners. • Development of Canadian capacity to share, adapt and adopt national and international best practices. • Increased progress of First Nations schools in connectivity and ICT integration. • Increased awareness and use of international open technical standards for the e-learning industry and the developers of e-learning content. • Enhanced standards that support interoperability and relevance for Canadian e-learners and developers. • Conversion of an environmental liability (surplus ICT equipment) into a valuable learning and skills development resource for Canadians. • Documented effectiveness of e-learning. | |
| Milestones | |
| <ul style="list-style-type: none"> • Development of an e-learning strategy. • Development of an e-learning research agenda. • Proportion of First Nations schools with access to high-speed connectivity increased to 30 percent. • Definition of First Nations educational and lifelong learning needs in partnership with First Nations stakeholders, e-learning producers and other educational stakeholders. • Preparation for and participation in international e-learning standards development. • Development of and support for research into e-learning and its implications on e-learning specifications and standards. • Promotion of the use of e-learning opportunities in the post-secondary area by working with consortia of institutions. • Provision of refurbished computers to schools. | |

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| <p>Social Economy — Financing</p> <p>\$7,000,000</p> |
| <p>Objectives</p> <p>In recognition of the social economy sector's growing contribution to Canada's communities, <i>Budget 2004</i> provided \$100 million in new funding over five years for pilot programs that provide financing (patient capital and lending) to social enterprises.</p> <p>Access to loans and patient capital is often a critical factor in the ability of social enterprises to grow. Improving such access, and thereby easing a barrier to the role of social enterprises in meeting economic, social and community goals, is the key aim of the financing initiatives announced in <i>Budget 2004</i>.</p> <p>The regional yearly distribution is as follows: Western Canada (\$5 million/year); Ontario (\$7 million/year); Quebec (\$6 million/year); and Atlantic Canada (\$2 million/year). Regional development agencies will deliver funding in Western Canada, Quebec and Atlantic Canada. Industry Canada and FedNor will be responsible for the distribution of funds in Ontario.</p> |
| <p>Planned Results</p> <ul style="list-style-type: none"> • Increased number of financially viable social enterprises in communities across Ontario as a result of Industry Canada financing. • Increased capacity of such enterprises to advance the economic and social well-being of the clients and communities they serve. |
| <p>Milestones</p> <ul style="list-style-type: none"> • Cabinet approvals are targeted for fall 2004. • The introduction of new financing instruments through the regional development agencies and third-party service delivery organizations will follow as appropriate. |
| <p>Softwood Industry and Community Economic Adjustment Initiative</p> <p>\$72,326,000</p> |
| <p>Objectives</p> <p>To create long-term sustainable economic benefits — permanent jobs, businesses, new products, adoption of new technologies and community facilities — in regions and communities that have experienced permanent job losses as a result of the U.S. duties on softwood lumber, by funding projects that will improve economic diversification and decrease dependency on softwood industries.</p> |
| <p>Planned Results</p> <p>Community capacity building results include the following:</p> <ul style="list-style-type: none"> • Studies of community needs and assets • Community action plans developed and implemented • Community leaders recruited and retained, and community leadership networks established • Business management skills developed within affected communities • Economic development networks and partnerships established in affected communities <p>For diversification, productivity improvement and new economic opportunities, the results include the following:</p> <ul style="list-style-type: none"> • Harvesting underutilized or alternative hardwood species • Model forest projects and "stand improvement" • Implementation of value-added processing and products in SMEs • Technology transfer to SMEs • Pre-commercial/demonstration wood processing and product development • Commercialization (prototype and research commercialization initiatives) • Development of international partnerships, export and new markets • Retail wood product operations • New manufacturing operations in affected communities • Development of existing and new tourism attractions, including Aboriginal and eco-tourism • Marketing initiatives to attract new investments to affected communities |

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| <p>Milestones</p> <p>The following are the sources of the information required for assessing program performance:</p> <ul style="list-style-type: none"> • Performance reports to be submitted by the regional development agencies to Industry Canada, on a periodic basis, in line with the agreed-upon set of performance indicators and measures • Recipients of program funding for approved projects, through interviews and review of relevant recipient financial and project-related information • Stakeholders in the regions or communities who would be expected to benefit from approved projects (through interviews and surveys) • Statistics Canada or other verifiable, independent sources of socio-economic data. (Where at all feasible, supporting evidence will be requested from those interviewed. In addition, others who are knowledgeable on the subjects will be contacted to verify the information obtained.) |
| <p>Structured Financing Facility</p> <p>\$54,084,000 (strategis.gc.ca/epic/internet/insim-cnmi.nsf/vwGeneratedInterE/uv00003e.html)</p> |
| <p>Objectives</p> <ul style="list-style-type: none"> • To stimulate economic activities in the Canadian shipbuilding and industrial marine industry by providing financial assistance to buyers/lessees of Canadian-built ships, such that annual revenues increase by about \$200 million and employment increases by 1,740. • To provide competitive financing to the industry, recognizing the unique challenges that this sector must overcome in the current global marketplace. The program will be focussed on opportunities and will be forward-looking in application. • To provide an alternative to accelerated capital cost allowance for those Canadian ship owners who cannot fully utilize this tax measure. <p>Given the current international context in the shipbuilding and industrial marine industry sector, the Structured Financing Facility Program is a key component of the Canadian shipbuilding policy framework (<i>A New Policy Framework for the Canadian Shipbuilding and Industrial Marine Industry — Focussing on Opportunities</i>) which is designed to achieve the objectives stated above.</p> |
| <p>Planned Results</p> <ul style="list-style-type: none"> • Approve and contract 10 or more projects, including at least one large project requiring Cabinet approval. • Generate \$200 million in shipyard sales, representing 1,700 direct person-years of employment. • Keep the Structured Financing Facility's (SFF) overall cost per person-year at, or below, \$25,000. |
| <p>Milestones</p> <ul style="list-style-type: none"> • Shipyard sales generated by the SFF are recorded and tracked when SFF claims are made. • Program participants report on the job creation effects of their completed SFF projects (e.g. the number of direct person-years employed in the construction of a vessel). • Program participants also report on the importance to their organization of completed SFF projects in terms of skill development, innovation, cost competitiveness, market expansion and partnership creation. |

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| <p>Technology Partnerships Canada (TPC) TPC R&D program: \$385,310,000 TPC h2 Early Adopters (h2EA): \$8,825,000</p> | <p>(tpc.ic.gc.ca)</p> |
| <p>Objectives</p> <p>TPC R&D Program: To advance Canada's knowledge base to improve the technological and strategic positioning of firms involved in R&D; strengthen the Canadian innovation system; broaden and deepen Canada's R&D capacity; and make advancements in health and safety.</p> <p>This focus helps ensure that innovation in Canada supports important areas and has lasting effects, which will, in turn, contribute to improving industrial productivity and competitiveness, sustainable development, quality of life, and the quality of our environment.</p> <p>TPC h2 Early Adopters (h2EA) Program:</p> <ul style="list-style-type: none"> • To increase public, consumer and investor awareness and acceptance of the hydrogen capability. • To integrate hydrogen and hydrogen-compatible technologies. • To develop hydrogen infrastructures. • To develop skills and a supply chain in the hydrogen industry. • To develop codes and standards for the hydrogen industry. • To increase the performance, reliability, durability and economical viability of hydrogen and hydrogen-compatible technologies. <p>The program's objectives will be achieved through demonstration projects in the field of hydrogen technology.</p> | |
| <p>Planned Results</p> <p>For more information, visit tpc.ic.gc.ca and tpc.ic.gc.ca/h2</p> | |
| <p>Milestones</p> <ul style="list-style-type: none"> • In consultation with its partners, TPC is developing benefit-reporting guidelines for recipient firms to help them articulate and report the contributions their projects make to policy benefits of primary interest to the Government of Canada and Canadians. • As part of fine-tuning its processes, TPC is continuing to examine its prioritization, due diligence and approval processes. • To increase its regional presence, to enhance delivery capacity and keep in step with the evolving needs of a client base, TPC established 15 TPC innovation officer positions across the country to promote TPC and other federal innovation programs. • As part of TPC's forward-looking investment strategy, TPC will examine how its program can best act as an instrument to support innovation in emerging and transformative technologies, while continuing to support R&D in mature and traditional industries to allow them to be competitive in the knowledge-based economy. • Some projects will be approved under the national five-year h2EA program. • An Industry Canada team will lead in the promotion and demonstration of hydrogen and compatible technologies to government stakeholders, the private sector and the Canadian public. | |

Table 5: Foundations / Conditional Grants

| Canadian Youth Business Foundation | | |
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| Canadian Youth Business Foundation (CYBF) is a non-profit private sector organization that aims to support and develop youth entrepreneurship. The Youth Business program provides loans, mentorship support and an interactive Web site to entrepreneurs between 18 and 34 years of age. (cybf.ca) | | |
| Amount and Timing of Funding Provided | Projected Use of Funds | Expected Results |
| CYBF received a grant of \$7.5 million in March 2002 to expand programming over a four-year period. | Expand its activity in Quebec, through a range of new initiatives. | Loans and mentorship services available at an additional 250 new community sites, including a greater presence in Quebec. |
| | Continue to promote existing programs to Aboriginal youth. | Work with Aboriginal organizations and the Business Development Bank of Canada to provide complementary mentor support services to Aboriginal-managed lending services. |
| | Expand youthbusiness.com | An enhanced on-line resource for youth entrepreneurs. |
| Canadian Centre for Creative Technology (Shad International) | | |
| Shad International (Shad) is a non-profit certified educational institution that aims to develop innovative leaders in science, technology and entrepreneurship. The Shad Valley program is a summer education and work term experience for senior high-school students. (shad.ca) | | |
| Amount and Timing of Funding Provided | Projected Use of Funds | Expected Results |
| Shad received a grant of \$6 million in March 2002 to expand programming over a four-year period. | Expand the Shad Valley program across Canada. | An additional four universities that would serve as hosts for the month-long educational program, including a French or bilingual program, and a host university located in Quebec. |
| | Increase the number of Shad Valley participants. | An increase in the number of Shad Valley participants of more than 50 percent from the current 429 students accepted each year. |
| | Increase the bursary program. | A larger bursary program, enabling more students to participate regardless of their economic circumstances. |
| | Reduce the cost of a corporate partnership to SMEs and increase the number of corporate partnerships. | An increase of up to 50 percent over the current number of 160 corporate partnerships. |

| Canada Foundation for Innovation | | |
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| <p>The Canada Foundation for Innovation (CFI) is an independent corporation established by the Government of Canada in 1997. The Foundation's goal is to strengthen the capability of Canadian universities, colleges, research hospitals, and other not-for-profit institutions to carry out world-class research and technology development. (innovation.ca)</p> | | |
| Amount and Timing of Funding Provided | Projected Use of Funds | Expected Results |
| <p>As part of the 2003 Accord on Health Care Renewal with the provinces, the CFI received a Government of Canada grant of \$500 million in August 2003 to establish the Research Hospital Fund (RHF). The RHF is a top-up fund to the CFI's Innovation Fund (IF).</p> <p>Although the Minister of Industry has responsibility for the CFI, its funding flows directly from the Department of Finance Canada.</p> <p>Since its inception in 1997, the CFI has received \$3.65 billion from the Government of Canada.</p> | <p>Apply approximately \$100 million of the RHF to the current 2004 IF competition, and announce RHF awards in fall 2004. Apply the remaining \$400 million to planned future IF competitions.</p> | <p>Contribution made to research hospital-based projects that support innovative research and training. A more integrated and multidisciplinary approach to health research promoted.</p> |
| | <p>Invest up to \$720 million in the CFI's other programs to support a limited number of exceptional infrastructure projects, new faculty and Canada Research Chairs, and the incremental operating costs of new infrastructure.</p> | <p>Support provided for institutions to reach new heights of research excellence. Support provided to attract and retain the very best. Impact of infrastructure investments maximized.</p> |
| Genome Canada | | |
| <p>Genome Canada is an independent corporation established in 2000. Its objective is to enable Canada to become a world leader in selected areas of genomic and proteomic research by bringing together consortia to deliver genomics and proteomics research, technology platforms and major genomics and proteomics projects. (www.genomecanada.ca)</p> | | |
| Amount and Timing of Funding Provided | Projected Use of Funds | Expected Results |
| <p>Since its inception in 2000, Genome Canada has received \$375 million from the Government of Canada, which includes \$75 million received in June 2003 for Applied Health Genomics.</p> <p>In Budget 2004, another \$60 million was allocated to Genome Canada.</p> | <p>In April 2004, \$61.5 million of federal funding was awarded to 14 innovative Applied Health Genomics projects as a result of an international peer review. This will leverage an additional \$61.5 million from other partners. Federal funds will also support the regional science and technology (S&T) platforms; continue public outreach through symposiums, and the Genome Canada Web site and annual report; and continue to develop international linkages through international memoranda of understanding.</p> | <p>Continued acceleration of the investment in ground-breaking genomics and proteomics research, focussing in this project competition on applied health genomics research for the delivery of predictive, preventive and personalized health care to individuals and populations.</p> |
| | <p>The \$60 million from Budget 2004 will be used to continue to strengthen genomics research in Canada.</p> | <p>Continued development of a coordinated federal-provincial-territorial approach to genomics research.</p> <p>Continued pursuit of public-private partnerships.</p> <p>Further development of the S&T platforms to provide needed infrastructure for Canadian researchers, in order for Canadian firms to capitalize on Canadian discoveries.</p> |

| The Canadian Institute for Advanced Research | | |
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| <p>The Canadian Institute for Advanced Research (CIAR) encourages research excellence in Canada and strengthens the Canadian research community by bringing together world-class researchers to tackle key issues that confront human society and challenge our understanding of the natural world. (ciar.ca)</p> | | |
| Amount and Timing of Funding Provided | Projected Use of Funds | Expected Results |
| <p>CIAR received a grant of \$25 million in March 2002 to fund its operations for the period from 2002–2003 to 2006–2007.</p> | <p>Strengthen the preparation, attraction and retention of highly qualified personnel in Canada.</p> | <p>CIAR will recruit new researchers as program members, expand post-doctoral and graduate student participation in program meetings, and launch the New Investigators Network to train and mentor younger researchers.</p> |
| | <p>Encourage greater private sector and provincial government investment in basic research and development in Canada.</p> | <p>CIAR will surpass its fundraising requirement of \$5 million and make progress toward the fundraising goal of \$6.2 million.</p> |
| | <p>Build interdisciplinary research strength in areas of special importance to Canada.</p> | <p>CIAR will strengthen and renew its interdisciplinary research programs in cosmology and gravity, earth system evolution, evolutionary biology, nanoelectronics, quantum information processing, quantum materials and successful societies. CIAR will launch one new program in an area where CIAR's funding would make a substantial difference.</p> |
| | <p>Encourage closer links between Canadian and international researchers.</p> | <p>CIAR will increase the number of new international associates, and increase promotion of CIAR in Canadian and international media.</p> |

| The Pierre Elliott Trudeau Foundation | | |
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| <p>The Pierre Elliott Trudeau Foundation provides scholarships to promising Canadian and international students who wish to pursue doctoral studies in Canada in the humanities and social sciences. The foundation will also provide fellowships to mid-career researchers and mentorships to seasoned professionals who work in the field of public policy. The foundation must provide an annual report to Industry Canada. The foundation manages the funds according to specific terms and conditions. (trudeaufoundation.ca)</p> | | |
| Amount and Timing of Funding Provided | Projected Use of Funds | Expected Results |
| <p>The foundation received an endowment of \$125 million in March 2002. Only the interest earned on the endowment can be used to fund the awards programs and outreach activities.</p> | <p>Provide scholarships worth \$35,000 each, and provide \$15,000 of support for travel and networking.</p> | <p>Increase the number of doctoral students supported to 30.</p> |
| | <p>Provide fellowships worth \$50,000 each, and provide \$25,000 for travel and networking expenses.</p> | <p>Increase the number of fellowships supported to 12.</p> |
| | <p>Provide mentorships worth \$20,000 each, and provide \$15,000 for travel and networking expenses.</p> | <p>Increase the number of mentorships supported to nine.</p> |
| | <p>Public outreach.</p> | <p>The foundation will host a major conference addressing issues of public policy and social concern.</p> |

Table 6: Major Initiatives and Programs

Industry Canada works to achieve its plans through the delivery of its major initiatives and programs. Information on these efforts has been described in section 3.2, organized by strategic outcome. Additional details, including planned spending and expected results, can be found in the tables on transfer payment programs, foundations and horizontal initiatives in section 5.4. For more information on all of Industry Canada's programs, please see www.ic.gc.ca/cmb/welcomeic.nsf/ICPages/ProgramsAndServices

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| A fair, efficient and competitive marketplace |
| Smart Regulation initiative, Spectrum Management Program, OSB's Initiative for the Orderly and Timely Administration of Insolvency Estates, Canadian Consumer Information Gateway, Fraud Prevention Forum, International Telecommunication Union. |
| An innovative economy |
| TPC R&D program and h2EA program, H2 Innovation Excellence, Industrial Research Assistance Program—TPC, Canada Foundation for Innovation, Genome Canada, MaRS Discovery District, Canadian Centre for Creative Technology, Canadian Institute for Advanced Research, Precarn, Pierre Elliott Trudeau Foundation, Canadian Biotechnology Strategy, CANARIE (CA*net4), Rural and Remote Broadband Access Program. |

| Competitive industry and sustainable communities |
|---|
| Federal Economic Development Initiative for Northern Ontario, Aboriginal Business Canada Programs, Canada-Ontario Infrastructure Program, Canada Small Business Financing Program, SME Financing Data Initiative, Paperwork Burden Reduction Initiative, Softwood Industry and Community Economic Adjustment Initiative, Structured Financing Facility, SourceCAN, ebiz.enable, Government On-Line, Smart Communities, Francophonies virtuelles, Community Access Program, SchoolNet, Service to Business Vision, Strategis, BIZPaL, Student Connections, Broadband for Rural and Northern Development Pilot Program, The National Satellite Initiative, Emergency Telecommunications program, Sustainable Development Strategy, Canadian Youth Business Foundation, Shad International, Community Futures Program, Canadian Apparel and Textile Industries Program, Textiles Production Efficiency Initiative, Assistive Devices Industry Office, Web-4-All, Canada Business Service Centres, Business Gateway, Supply Chain Management Pilot Project, Sustainable Cities Initiative, Border Air Quality, Language Industries. |

Table 7: Sources of Respendable and Non-Respendable Revenue

| (millions of dollars) | Forecast Revenue 2003–2004* | Planned Revenue 2004–2005 | Planned Revenue 2005–2006 | Planned Revenue 2006–2007 |
|--|--------------------------------|------------------------------|------------------------------|------------------------------|
| Respendable Revenue | | | | |
| <i>Marketplace Rules and Services</i> | | | | |
| Communications Research | 7.6 | 9.7 | 9.7 | 9.7 |
| <i>Industry Sector Development</i> | | | | |
| Bankruptcy and Insolvency | 29.9 | 30.9 | 31.9 | 31.9 |
| Corporations Regulation | 7.3 | 7.5 | 7.7 | 7.7 |
| Canadian Intellectual Property Office Revolving Fund | 112.8 | 136.0 | 145.7 | 153.1 |
| Competition Law and Policy | 8.8 | 10.5 | 10.5 | 10.5 |
| | 158.8 | 184.9 | 195.8 | 203.2 |
| Subtotal Respendable Revenue | 166.4 | 194.6 | 205.5 | 212.9 |
| Non-Respendable Revenue | | | | |
| <i>Marketplace Rules and Services</i> | | | | |
| Bankruptcy and Insolvency Supervision | 1.0 | 1.0 | 1.0 | 1.0 |
| Measurement Regulation | 2.0 | 2.1 | 2.1 | 2.1 |
| Consumer Labelling and Advertising Regulation | 0.1 | 0.1 | 0.1 | 0.1 |
| Spectrum Management** | 107.7 | 211.5 | 211.5 | 211.5 |
| Other*** | 19.0 | 0.0 | 0.0 | 0.0 |
| | 129.8 | 214.7 | 214.7 | 214.7 |
| <i>Industry Sector Development</i> | | | | |
| Communications Research | 1.5 | 1.5 | 1.5 | 1.5 |
| Return on Investment | 13.6 | 13.3 | 13.1 | 12.8 |
| Development | 0.0 | 0.0 | 0.0 | 0.0 |
| SBLA/CSBFA Service Fees**** | 18.8 | 62.8 | 62.5 | 64.7 |
| Receipts from Repayable Contributions | 79.8 | 97.7 | 118.0 | 168.0 |
| Other | 1.5 | 0.0 | 0.0 | 0.0 |
| | 115.2 | 175.3 | 195.1 | 247.0 |
| Subtotal Non-Respendable Revenue | 245.0 | 390.0 | 409.8 | 461.7 |
| Total Respendable and Non-Respendable Revenue | 411.4 | 584.6 | 615.3 | 674.6 |

* Reflects the best forecast of total planned revenue to the end of the fiscal year.

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

*** Includes Fines and Refunds of Previous Year Expenditures.

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

Table 8: External Charging

This table includes Industry Canada's plans to introduce or amend fees, for the planning period. The following organizations do not plan to introduce new fees or amend existing fees:

- Competition Bureau
- Corporations Canada
- Communications Research Centre Canada
- Office of the Superintendent of Bankruptcy Canada
- Canada Small Business Financing Program Directorate

| |
|--|
| <p>Canadian Intellectual Property Office (CIPO)</p> <p>CIPO grants or registers ownership for five types of intellectual property: patents, trademarks, copyrights, industrial designs and integrated circuit topographies.</p> <p>Fee Type*: R, Fee-Setting Authority**: PR, TR, IDR, CR</p> <p>Effective Date of Planned Change: Second half of 2004, once CIPO begins to offer the new services</p> <p>Reason for Fee Introduction or Amendment: The introduction of new fees is required since CIPO has received approval to become an International Search Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty.</p> <p>Planned Consultation and Review Process: A series of consultations with stakeholders and clients was held in fall 2002. The fees were approved by the Governor-in-Council in June 2003.</p> |
| <p>Measurement Canada</p> <p>Registration Program — Downstream Petroleum Sector</p> <p>Fee Type*: R&P, Fee-Setting Authority**: WMA (Agreement)</p> <p>Effective Date of Planned Change: April 2004</p> <p>Reason for Fee Introduction or Amendment: A consensus-based recommendation by stakeholders to introduce a registration program that grants authorized service providers the authority to certify, on Measurement Canada's behalf, the accuracy of commercial devices in the downstream petroleum sector.</p> <p>Planned Consultation and Review Process: Consultation with affected parties and potential service providers commenced in July 2003 and was performed via Measurement Canada's Internet site and the Canadian Forum on Trade Measurement (a consultation and information forum hosted by Measurement Canada and attended by industry representatives). The registration program fees are aligned with existing accreditation program fees. These fees are considered reasonable and are not a barrier for organizations to become authorized service providers.</p> |
| <p>Spectrum Management</p> <p>Licence Renewals</p> <ul style="list-style-type: none"> • Amendment to the cellular and 1995 PCS radio licensing regime • Fixed and broadcast satellite licences <p>Fee Type*: R&P, Fee-Setting Authority**: RA, DIA, FAA</p> <p>Effective Date of Planned Change:</p> <ul style="list-style-type: none"> • April 1, 2004 (transition period from 2004 to 2011) • Anticipate resulting fee regime to take effect April 1, 2005 <p>Reason for Fee Introduction or Amendment:</p> <ul style="list-style-type: none"> • To be consistent with Industry Canada's marketplace priority to create a wireless telecommunications marketplace that is more efficient, fair and competitive, and to be consistent with the Department's smart regulations priority to reduce the administrative burden and cost imposed on business and the government. • There is currently little rationalization for existing fees. New fees will aim at recovering a fair value for the use of the orbital and spectrum resources. <p>Planned Consultation and Review Process:</p> <ul style="list-style-type: none"> • The consultation and review process was completed in 2003. Anticipated amendments to revoke applicable provisions in Radiocommunication Regulations will be completed in fiscal year 2004–2005. • A consultation paper is currently being developed; the consultation process will likely begin in the second quarter of 2004. |

Spectrum Auctions

- 2300 MHz and 3500 MHz (including unassigned spectrum)

Fee Type*: R&P, **Fee-Setting Authority**:** RA

Effective Date of Planned Change: Fall 2004

Reason for Fee Introduction or Amendment: To facilitate the growth of wireless communication services in the 2300 MHz band and fixed wireless access in the 3500 MHz band in both rural and urban areas, and to facilitate the implementation of new and innovative services.

Planned Consultation and Review Process: The consultation process is completed, and the auction took place in February 2004. A consultation process will take place to inform interested parties of the Department's intent to license unassigned spectrum from this auction, either on a first-come, first-served basis or, where demand exceeds supply, by another auction.

Radio and Terminal Equipment Approval

Fee Type*: R, **Fee-Setting Authority**:** DIA

Effective Date of Planned Change: Spring 2004

Reason for Fee Introduction or Amendment: The current fees are outdated and not compatible with new technologies and conformity assessment procedures.

Planned Consultation and Review Process: The proposal was presented at several meetings of the Terminal Attachment Program Advisory Committee and Radio Advisory Board of Canada committee. Comments were received and factored in. A 75-day formal consultation was initiated by the publication of a notice in the *Canada Gazette* in December 2003–January 2004. Upon review of the comments and resolution of negative comments, if any, the proposed fee order will be submitted for approval under the DIA and the current order under the FAA will be revoked.

* **Fee Type:** Regulatory Service (R); Right and Privilege (R&P)

** **Fee-Setting Authority:** Copyright Regulations (CR); *Department of Industry Act* (DIA); *Financial Administration Act* (FAA); *Industrial Design Regulations* (IDR); *Radiocommunication Act* (RA); *Patent Rules* (PR); *Trade-marks Regulations* (TR); *Weights and Measures Act* (WMA)

Table 9: Net Cost of Program(s) for the Estimates Year

| (millions of dollars) | Industry Canada |
|--|----------------------------|
| Net Planned Spending | 1,702.5 |
| Plus: | |
| <i>Services received without charge</i> | |
| Accommodation provided by Public Works and Government Services Canada | 47.5 |
| Contribution covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat | 22.7 |
| Workers' compensation coverage provided by Social Development Canada | 0.5 |
| Salary and associated expenditures of legal services provided by the Department of Justice Canada | 4.3 |
| Subtotal | 75.0 |
| Total Cost of Program | 1,777.5 |
| Less: Non-Respendable Revenue | 390.0 |
| 2004–2005 Net Cost of Program | 1,387.5 |

Table 10: Revolving Fund Financial Statements — Canadian Intellectual Property Office (CIPO) Revolving Fund Statement of Operations

| (millions of dollars) | Forecast 2003–2004 | Planned 2004–2005 | Planned 2005–2006 | Planned 2006–2007 |
|-------------------------------------|-----------------------|----------------------|----------------------|----------------------|
| Respendable Revenue | 95.7 | 122.3 | 134.3 | 149.9 |
| Expenses | | | | |
| Operating: | | | | |
| Salaries and employee benefits | 62.4 | 79.1 | 89.8 | 99.3 |
| Depreciation | 15.0 | 19.3 | 19.6 | 19.4 |
| Repairs and maintenance | 1.1 | 1.0 | 1.0 | 1.1 |
| Administrative and support services | 13.9 | 14.9 | 15.9 | 16.5 |
| Utilities, materials and supplies | 7.8 | 10.8 | 11.5 | 11.8 |
| Marketing | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Expenses | 100.2 | 125.1 | 137.8 | 148.1 |
| Subtotal Surplus (Deficit) | (4.5) | (2.8) | (3.5) | 1.8 |
| Deferred capital assistance | 6.4 | 6.4 | 6.4 | 6.4 |
| Surplus (Deficit) | 1.9 | 3.6 | 2.9 | 8.2 |

Table 11: Revolving Fund Financial Statements — Statement of Cash Flows

| (millions of dollars) | Forecast 2003–2004 | Planned 2004–2005 | Planned 2005–2006 | Planned 2006–2007 |
|--|-----------------------|----------------------|----------------------|----------------------|
| Surplus (Deficit) | 1.9 | 3.6 | 2.9 | 8.2 |
| Add Non-Cash Items: | | | | |
| Depreciation/amortization | 15.0 | 19.3 | 19.6 | 19.4 |
| Deferred capital assistance | (6.4) | (6.4) | (6.4) | (6.4) |
| Investing Activities: | | | | |
| Acquisition of depreciable assets | (2.5) | (14.0) | (13.0) | (11.0) |
| Changes in short- and long-term assets/ liabilities | 8.7 | 14.3 | 12.5 | 3.8 |
| Cash Surplus* | 16.7 | 16.8 | 15.6 | 14.0 |

* The cash surplus in the 2003–2004 forecast column is different from the figure published in the Public Accounts. This difference is due to an overstatement of \$9.6M of CIPO's authority in the Public Accounts.

Table 12: Revolving Fund Financial Statements — Projected Use of Authority

| (millions of dollars) | Forecast 2003–2004 | Planned 2004–2005 | Planned 2005–2006 | Planned 2006–2007 |
|--|-----------------------|----------------------|----------------------|----------------------|
| Authority* | 5.0 | 5.0 | 5.0 | 5.0 |
| Drawdown: | | | | |
| Balance as at April 1 | 57.5 | 74.8 | 91.6 | 107.2 |
| TB Vote 5 | 0.6 | 0.0 | 0.0 | 0.0 |
| Projected surplus (drawdown) | 16.7 | 16.8 | 15.6 | 14.0 |
| | 74.8 | 91.6 | 107.2 | 121.2 |
| Projected Balance at March 31** | 79.8 | 96.6 | 112.2 | 126.2 |

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

** The cumulative authority surplus in the 2003–2004 forecast column is different from the figure published in the Public Accounts. This difference is due to an overstatement of \$9.6M of CIPO's authority in the Public Accounts.

Table 13: Loans, Investments and Advances (Non-Budgetary)

| (millions of dollars) | Forecast Spending 2003–2004 | Planned Spending 2004–2005 | Planned Spending 2005–2006 | Planned Spending 2006–2007 |
|--|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Industry Sector 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 |
| Total | - | 0.8 | 0.8 | 0.8 |

Table 14: Alternative Service Delivery (ASD)

| |
|--|
| <p>Radiocommunication and Broadcasting Regulatory Branch</p> <p>Improving efficiency of spectrum on-line services</p> <p>Contribution to Organization: The Spectrum E-Services E-Commerce Delivery (SEED) initiative was developed in response to Government On-Line. The initiative is being further enhanced to improve service efficiency. SEED's vision is to improve services to its clients, respond to their needs and minimize costs by simplifying, streamlining and continuing to automate processes. The implementation of this initiative will ensure on-line access to all information, as well as the ability to interact electronically with clients for all key services, whenever and wherever appropriate.</p> <p>Status of ASD Proposal: Ongoing</p> <p>Implementation Date: December 2005</p> <p>Contact: Brian McManus (613) 998-3521</p> |
| <p>Spectrum Engineering Branch</p> <p>Allowing self-marking instead of having Industry Canada labels for terminal equipment</p> <p>Contribution to Organization: The use of self-marking will reduce the costs incurred by the industry in marking equipment to meet regulatory requirements. Currently, although self-marking is allowed, there is a requirement to have an agreement with Industry Canada and pay a fee for each unit marked. Therefore, the current implementation of labelling and self-marking still represents a significant administrative burden on the industry.</p> <p>Status of ASD Proposal: The replacement of the per-unit marking fee by a flat rate registration fee will remove the requirement to pay Industry Canada for self-marked products. The new fee structure should be implemented in fall 2004. At that point, the industry will be able to take advantage of the full benefits of self-marking by being able to mark or emboss the Industry Canada number on all the units produced in an efficient way.</p> <p>Implementation Date: Fall 2004</p> <p>Contact: Claude Beaudoin (613) 990-4714</p> |
| <p>Spectrum Engineering Branch</p> <p>Streamlining of the certification processes for radio equipment</p> <p>Contribution to Organization: Mutual Recognition Agreements/Arrangements streamline the conformity assessment processes and allow them to be performed locally. The radiocommunication equipment industry benefits in terms of significant cost and time savings by having their products tested (phase I) and certified (phase II) locally by private certification bodies. Certification that used to be performed only by Industry Canada is also performed by private certification bodies, and their certificates are recognized as equivalent to those granted by Industry Canada. These certification bodies will also be recognized and able to certify according to many other countries' requirements.</p> <p>Status of ASD Proposal: All the required procedures have been published. Certification bodies in Europe, the United States and Canada have been recognized to certify products to Canadian requirements. A total of 11 certification bodies have been recognized by Industry Canada to date. Applications from other potential certification bodies have been received and are currently being reviewed. These bodies are being monitored to ensure that the quality of their work meets Industry Canada's expectations.</p> <p>Implementation Date: Ongoing</p> <p>Contact: Claude Beaudoin (613) 990-4714</p> |
| <p>Spectrum Engineering Branch</p> <p>Terminal equipment registration and declaration of conformity processes</p> <p>Contribution to Organization: Terminal equipment that used to be subject to the certification process is now subject to a registration and declaration of conformity process. The declaring party declares the conformity of the equipment based on a test report produced by a recognized testing laboratory. This has streamlined the market access processes. Similar processes are used in Europe and the United States.</p> <p>Status of ASD Proposal: The new process has been in place since January 2002.</p> <p>Implementation Date: Completed</p> <p>Contact: Claude Beaudoin (613) 990-4714</p> |

Table 15: Major Regulatory Initiatives

| <i>Patent Act and Food and Drugs Act — Regulations on the Use of Patents for International Humanitarian Purposes to Address Public Health Problems</i> | |
|---|--|
| Regulations | Planned Results |
| A regulatory framework is being developed to accompany amendments to Bill C-9, <i>An Act to amend the Patent Act and the Food and Drugs Act (The Jean Chrétien Pledge to Africa Act)</i> that allows for the export, in accordance with an August 30, 2003, decision of the World Trade Organization General Council, of certain pharmaceutical products produced under compulsory licence. | To operationalize changes to the <i>Patent Act</i> as proposed in Bill C-9, <i>The Jean Chrétien Pledge to Africa Act</i> . The regulations will prescribe the forms and fees relating to the application for and renewal of a compulsory licence. They will also prescribe the information that must be posted on a Web site by licensees and the timing in terms of the payment of royalties on the licence. |
| <i>Amendments to the regulation specifying investigative bodies, pursuant to the Personal Information Protection and Electronic Documents Act</i> | |
| Regulations | Planned Results |
| Amendments to the regulation specifying investigative bodies, pursuant to the <i>Personal Information Protection and Electronic Documents Act</i> . | 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. |
| <i>Order exempting certain organizations subject to British Columbia's Personal Information Protection Act from the Personal Information Protection and Electronic Documents Act</i> | |
| Regulations | Planned Results |
| Order exempting certain organizations subject to British Columbia's <i>Personal Information Protection Act</i> (PIPA) from the federal <i>Personal Information Protection and Electronic Documents Act</i> (PIPEDA). | Based on a finding that the BC PIPA is substantially similar to the PIPEDA, the Order will exempt organizations subject to the BC PIPA from the federal Act for all collections, uses and disclosures of personal information in the course of commercial activity, within the province. |
| <i>Order exempting certain organizations subject to Alberta's Personal Information Protection Act from the Personal Information Protection and Electronic Documents Act</i> | |
| Regulations | Planned Results |
| Order exempting certain organizations subject to Alberta's <i>Personal Information Protection Act</i> (PIPA) from the federal <i>Personal Information Protection and Electronic Documents Act</i> (PIPEDA). | Based on a finding that the Alberta PIPA is substantially similar to the PIPEDA, the Order will exempt organizations subject to the Alberta PIPA from the federal Act for all collections, uses and disclosures of personal information in the course of commercial activity, within the province. |
| <i>Amend the Radiocommunication Act to better combat piracy of direct-to-home satellite television signals</i> | |
| Regulations | Planned Results |
| Legislative amendments to the <i>Radiocommunication Act</i> (Bill C-2) to better combat piracy of direct-to-home satellite television signals. | The amendments seek to improve Canadian importation control over illegal radiocommunication equipment, increase penalties to act as a more effective deterrent, and strengthen the broadcasting industry's right to civil action by providing the option of seeking statutory damages. |

| Regulations for the Administration of Intellectual Property — Modernization | |
|---|--|
| Regulations | Planned Results |
| A series of minor housekeeping amendments to the Canadian Patent Rules and Industrial Design Regulations is planned to simplify administrative requirements. | The amendments will put forward administratively simplified approaches. Some amendments to the Patent Rules will ensure that Canada is in step with the practices of our trading partners. |
| Review of the Foreign Investment Restrictions in Telecommunications | |
| Regulations | Planned Results |
| The government has acknowledged that there are benefits to removing the foreign investment restrictions for telecommunications common carriers and that there is also a need to deal with restrictions on foreign investment in broadcasting distribution undertakings. The government has undertaken to determine how best to reconcile conflicting recommendations from parliamentary committees on this issue. | A review is to be completed in 2004, so that possible solutions may be examined. |

Table 16: Horizontal Initiatives

Industry Canada is involved in a number of horizontal initiatives, in which the Department works 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 TBS Horizontal Results Database Web site (www.tbs-sct.gc.ca/rma/eppi-ibdrp/hr-rh_e.asp).

- Canadian Biotechnology Strategy
- SchoolNet

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

As a result of the changes to government announced on December 12, 2003, Industry Canada is no longer the lead department for Team Canada Inc and Investment Partnerships Canada. Information on these two horizontal initiatives will be provided by the new department, International Trade Canada.

Section 6:

Supplementary Information

6.1 Industrial and Regional Development Program

Section 14 of the *Industrial and Regional Development Act* states that an annual report to Parliament on the administration of the Industrial and Regional Development Program (IRDP) should be tabled by the first day of the month of June following the close of each fiscal year. Since there are no new commitments to report for the IRDP, Industry Canada is fulfilling its reporting requirements under the provisions of the Report on Plans and Priorities rather than in a separate annual report.

The IRDP terminated on June 30, 1988. Since that time, no further applications for assistance under the program have been accepted. All financial commitments by Industry Canada under the IRDP have now been fully expended.

The *Industrial and Regional Development Act* remains in effect to allow for the ongoing repayments in future years of the financial assistance previously provided under the program.

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