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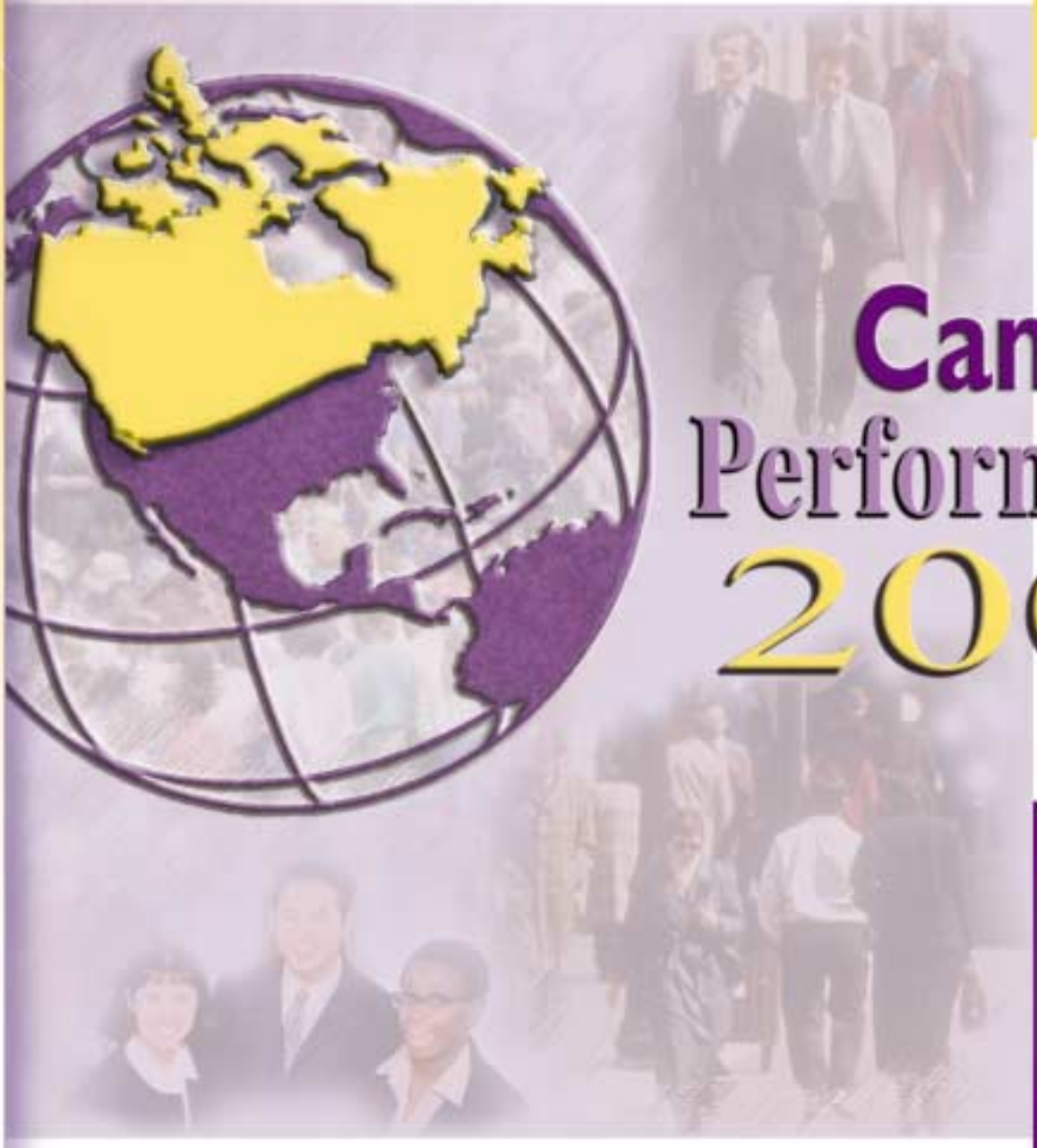

Canada's Performance 2002

Annual Report to Parliament

REPORT OF THE PRESIDENT

Canada

CANADA'S PERFORMANCE 2002

About *Canada's Performance 2002*

This document is the President of the Treasury Board's eighth annual report to Parliament on government performance. Previous reports are available at: http://www.tbs-sct.gc.ca/rma/communic/communie.asp.

Canada's Performance 2002 provides information on the quality of life of Canadians, as measured by certain societal indicators. In so doing, it sets a context for assessing the performance of federal government programs. It also provides basic information to support dialogue among Canadians about future directions in public policy.

How to Get More Information

The electronic version of this report includes many links to additional information on the societal indicators discussed in this report, as well as to information on the plans and performance of federal departments and agencies. If you would like further information or would like to make comments on or suggestions regarding *Canada's Performance 2002*, please contact

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PRESIDENT'S MESSAGE

In Canada, the enduring priority of the government is to improve the quality of life of Canadians—building a world-leading economy, ensuring a clean environment, promoting the health of our citizens and improving the strength and safety of our communities. Our goal is to make Canada a land of ever-widening opportunity, where the benefits of the new economy touch every community and lift every family and every Canadian.

The government also believes that a healthy democracy, such as Canada's, requires the active engagement of its citizens in understanding the economic and social issues we face as a nation. That is why we are publishing *Canada's Performance 2002*, a report on the quality of life in Canada and how the actions of the government contribute to improving our well-being.

The Government of Canada, however, is not working alone. Individuals, families, voluntary organizations, private-sector firms and other levels of government all contribute to Canada's social and economic achievements. The government will continue to work in partnership with these participants in Canadian society in pursuit of a higher quality of life for all.

Canada's Performance 2002 highlights both Canada's strengths and areas in which we can do better. It points out our successes in health and economic performance, particularly employment, and indicates the challenges we continue to face in areas such as improving the environment and encouraging a more involved civic society.

The information contained in this report serves a threefold purpose. It helps to encourage active citizen engagement in public policy debates. It provides a government-wide perspective from which to view the results reported by individual federal departments and agencies in their fall performance reports. Last but not least, it promotes a modern management regime focussed on results by encouraging departments and agencies to link their objectives and achievements to improvements in the quality of life of Canadians.

Canada is the only country to publish such a report and is a world leader in promoting transparency, accountability and results as the foundation of modern government. Therefore, it gives me great pleasure to present this insightful look at our quality of life in the year 2002 and the efforts of the government to build the Canada we want for ourselves and future generations.

"The paper version was signed by Lucienne Robillard, President of the Treasury Board"

Lucienne Robillard
President of the Treasury Board

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INTRODUCTION

THE CANADIAN WAY IN THE 21ST CENTURY

Countries around the world are grappling with how best to secure economic prosperity in a globalized society while at the same time ensuring that no member of their society is left behind. Canada has developed a distinctive approach to this challenge, one that has been referred to as the Canadian Way. It is an approach marked by an accommodation of cultures, a recognition of diversity, a partnership between citizens and the state, a sharing of risks and benefits, and a positioning of government as an instrument of collective action. It is an approach centred on a goal that is common to all Canadians — improving quality of life for all.

This is a report on how Canada is progressing toward that goal. It provides information on the quality of life in our country and where we stand in comparison with other post-industrial nations. With this information, Canadians can better assess the performance of the Government of Canada and more fully engage in shaping public policy.

Canada's Performance 2002 is linked to the Government of Canada's efforts to govern well and in a manner that responds to the challenges that all governments are currently facing. Governments around the world, for instance, are dealing with the challenges posed by the knowledge age. A move from an industrial to a global knowledge economy and its accompanying advances in information technologies means that government and its institutions must adapt. The Government of Canada's response to this challenge has been, among other things, to encourage the development of a Public Service that is modelled on the principles of a dynamic learning organization, rather than those of an internal process-oriented bureaucracy. The government wants a Public Service that is able to innovate and to constantly explore new and better ways of serving Canadians.

The governments of advanced democracies are also dealing with a global shift in values, wherein citizens are more demanding of governments and want a stronger voice in decision making. The federal government is meeting this challenge head-on by rebuilding public trust in institutions. This means that government must be more transparent and accountable. Rebuilding trust also means that the ethics and integrity of the Public Service must be supported and encouraged.

There are also increasingly complex interactions of actors on the political stage. Different levels of government, non-governmental organizations, and the voluntary and private sectors all play a role in policy and service delivery decisions. As a result, the Government of Canada realizes that it must undertake its efforts in collaboration with partners.

And finally, as a result of all of the factors mentioned above, governments are attempting to manage in a more modern way. The federal government's modern management agenda is clear. It is delineated in *Results for Canadians: A Management Framework for the Government of*

Canada and it entails four fundamental commitments: to begin with a citizen focus in designing, delivering, evaluating and reporting on government activities; to guide public service management by a clear set of values, including openness and transparency; to focus on the achievement of results; and to ensure responsible spending.

Canada's Performance 2002 has three simple objectives that align with many of the modern governance principles noted above:

- **Building trust and encouraging citizen engagement:** The report informs Canadians about the country's social and economic situation — as well as about some of the public policy issues raised by it. Informing Canadians in this way will pave the way for increased engagement in public policy debates, whether through government-led consultations or through active personal participation in policy formulation.

- **Transparency and accountability to parliamentarians:** Each year since 1997 the government has tabled two sets of departmental reports in Parliament. In the spring, departments and agencies produce their Reports on Plans and Priorities for the coming fiscal year. In the fall, they provide parliamentarians with their Departmental Performance Reports indicating achievements attained over the previous fiscal year. *Canada's Performance 2002* provides a context in which to review the results reported by individual federal departments and agencies in fall performance reports. This whole-of-government perspective provides parliamentarians and citizens with an improved means to engage on budget and program matters.

- **The encouragement of a modern management regime focussed on results:** The report encourages departments and agencies to clearly link their objectives and achievements to improvements in the quality of life of Canadians.

WHAT'S IN THE REPORT

Canada's Performance 2002 presents data on 19 societal indicators that reflect a balance of social, economic and environmental interests. These indicators have been grouped according to four main themes:

- economic opportunities and innovation in Canada
- the health of Canadians
- the Canadian environment
- the strength and safety of Canadian communities

Over the last few years, the government has consulted with parliamentarians and with Canadians from all walks of life on the list of indicators and the approach used in this report. Their advice regarding the indicators has been consistent:

- Information must be **relevant**; indicators must reflect Canadian values.
- Information must be **temporal**; data must highlight trends over time and show progress toward goals.
- Information must be **available**; data must be easily accessible.
- Information must be **comparable**; it must be possible to compare with data from other countries.
- Information must be **understandable**; data must be easily grasped by various audiences.

NINETEEN SOCIETAL INDICATORS, BY THEME

ECONOMIC OPPORTUNITIES AND INNOVATION IN CANADA

- real gross domestic product per capita
- real disposable income per capita
- innovation
- employment
- literacy
- educational attainment

THE HEALTH OF CANADIANS

- life expectancy
- self-rated health status
- infant mortality
- physical activity

THE CANADIAN ENVIRONMENT

- air quality
- water quality
- biodiversity
- toxic substances in the environment

THE STRENGTH AND SAFETY OF CANADIAN COMMUNITIES

- volunteerism
- attitudes toward diversity
- cultural participation
- political participation
- safety and security *

* This indicator has been broadened from last year's report to include victimization and perceptions of safety as well as crime, which was the indicator last year.

Each chapter begins with an **issue** section, providing an introduction to the theme dealt with in that chapter. These issue sections also briefly highlight the roles and responsibilities of the Government of Canada in improving our economic situation, our health, our environment and the strength and safety of our communities.

While investigating the selected themes and societal indicators, *Canada's Performance 2002* looks at **what we know** and highlights trends over time. It also includes international comparisons wherever applicable, based on the limited comparable data available. These elements of the report help establish a broader foundation on which to assess both the performance of government programs and Canada's performance in general.

Finally, the report provides a gateway to **performance information** by means of electronic links to the departmental reports on plans and performance. The aim of this section is to help citizens understand what efforts the federal government is undertaking to improve the quality of life of Canadians, often in partnership with other levels of government and with the private and voluntary sectors.

WHAT'S NEW

This is the second year that the government has used societal indicators to provide a context for its performance. Some of the major improvements since last year's report include the following:

- the addition of a "Performance Highlights" section, which summarizes Canada's performance over the last 5 to 10 years in each of the areas covered in the report;
- the inclusion, at the end of each chapter, of performance information at the level of departmental results, rather than at the program level — this allows *Canada's Performance 2002* to link up to the departmental reports on plans and on performance more easily; and
- enhanced access to more detailed levels of performance information in the electronic version.

PARTNERING FOR SUCCESS

Canada's Performance 2002 measures progress towards broad societal goals. Many factors beyond the direct control of the federal government influence progress on the 19 indicators tracked in this report. Individuals, families, voluntary organizations, private-sector firms, governments and other participants in Canadian society all contribute to the quality of life of Canadians. And, indeed, we live in a global village where activities outside our country have a large influence on our well-being. The Government of Canada is one of many players taking actions that influence the broad social and economic outcomes described in this report. The government is committed to working with our partners in pursuit of a higher quality of life for Canadians. Following are just a few examples in which the federal government is working strategically with partners to achieve shared goals — information on similar partnerships is available on-line at the government's "Horizontal Results Database" at http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/coll_res/coll_res_e.htm:

- The Social Union Framework Agreement (SUFA): Signed in 1999 by federal, provincial, and territorial governments (except Quebec), this Agreement is an example of co-operation between governments on health and social issues to better meet the needs of Canadians. Among other things, the Agreement commits participating governments to be more accountable to citizens for the results of their social programs and activities. For further information on how the federal government is working to improve accountability under SUFA, see the SUFA Accountability Web site at http://www.tbs-sct.gc.ca/rma/account/sufa_e.asp.

- The Voluntary Sector Initiative (VSI): Our quality of life, our economic strength, and the vitality of our democratic institutions depend on the vibrancy of three interdependent sectors: the public, the private, and the voluntary. An accord has been developed as part of the VSI. Its purpose is to strengthen the ability of both the Government of Canada and the voluntary sector to better serve Canadians. The accord moves the two sectors toward greater mutual understanding and provides a framework within which the relationship can develop and evolve.

- Infrastructure Canada: The Government of Canada has launched a new program to renew and enhance Canada's physical infrastructure. The program will mobilize provincial, territorial, municipal, and private sector partners to address 21st century infrastructure challenges in rural and urban municipalities across Canada. Infrastructure Canada's first priority is green municipal infrastructure — projects that improve the quality of our environment and contribute to our national goals of clean air and water. Priority projects target water and wastewater systems, water management, solid waste management, and recycling. Other program priorities include local transportation; roads and bridges; affordable housing; telecommunications; and tourist, cultural, and recreational facilities.

- The National Homelessness Initiative (NHI): The NHI helps to ensure community access to programs, services, and support for reducing and alleviating homelessness in urban and rural regions across all provinces and territories. The initiative works through partnerships with community organizations, the private sector, and all levels of government to help people who are homeless in Canada. The NHI recognizes that no single level of government or sector of Canadian society can solve the problem of homelessness alone.

FURTHER INFORMATION

This report cannot tell the whole story of Canada's performance. For more information on quality of life in Canada, see the suggested list of "Additional Resources" in Appendix I. The electronic version of this report includes many links to additional information on the societal indicators discussed in this report, as well as to information on the plans and performance of federal departments and agencies.

GIVE US YOUR FEEDBACK

The government recognizes the need to continually improve its reporting to Canadians. With last year's report we sought your views. By listening to your comments and by consulting various stakeholders, we identified a number of areas of improvement for this year's version. For instance, we have improved the access that the reader has to more detailed levels of performance information in the electronic version.

We want to know what you think about the contents of this report. Please tell us what you like best about this publication and what you think needs to be changed or improved. Your feedback will help the government determine the form of its reporting to Canadians and to Parliament on management and performance issues.

We welcome your comments by mail, telephone, fax, or e-mail.

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PERFORMANCE HIGHLIGHTS

This report provides information on the quality of life of Canadians by using nineteen societal indicators grouped under four themes: economic opportunities and innovation in Canada, the health of Canadians, the Canadian environment, and the strength and safety of Canadian communities. The following chart provides a brief summary of Canada's performance in these areas over the last 5 to 10 years (depending on the relevance and availability of data).

In general, the results indicate that we are doing well, as a nation, when it comes to our health; improvements are particularly noticeable in the area of life expectancy and infant mortality. Also, Canada's economy has shown strong performance, especially in the area of employment. However, some of Canada's environmental indicators continue to be a cause for concern. So too, the results indicate that not all members of our society are reaping the benefits of our strong economic performance. With respect to our communities, while some progress has been made in neighbourhood safety, other indicators point to a less involved civic society.

LEGEND	
⇧	Improving performance
—	No trend data available at this time
⇩	Declining performance

ECONOMIC OPPORTUNITIES AND INNOVATION IN CANADA

Trend	Indicator	Performance Highlights
⇧	Real Gross Domestic Product per Capita	Real gross domestic product (GDP) per capita growth has averaged 3% per year since 1997, a substantial improvement over the early 1990s. Real GDP per capita increased from $29,480 in 1997 to $33,118 in 2001.*
⇧	Real Disposable Income per Capita	After declining in the first half of the 1990s, real disposable income per capita has picked up since 1997. Real disposable income per capita increased from $18,239 in 1997 to $20,053 in 2001.* Despite the strong growth in average incomes, certain segments of our society continue to be disproportionately represented in income levels below Statistics Canada's Low Income Cut-Offs.
⇧	Innovation	While there is no specific measure of innovation, Canada's research and development spending as a percentage of GDP (research and development intensity) increased from 1.6% in the mid-1990s to 1.9% of GDP in 2001.* Nevertheless, in terms of other indicators of innovation performance, such as external patent application and human capital devoted to research and development, Canada is considerably behind the US and other G-7 countries.

* Figures in constant 1997 dollars

⇧	Employment	The average employment rate increased from 58.5% in 1996 to 61.2% in 2001. There are substantial variations, however, in the unemployment rates of the provinces. The Atlantic provinces and Quebec continue to have substantially higher unemployment rates than the Canadian average.
—	Literacy	The data from the first *International Adult Literacy Survey* (IALS) conducted in 1994–95 indicates that over 40% of Canadians aged 16 and above function below Level "3," the minimum desirable level corresponding roughly to high school completion.
⇧	Educational Attainment	In the last decade, the proportion of Canadians with a college or university degree increased. Between 1990 and 1998, the proportion of Canadians aged 25-54 (the core working-age population) who graduated from university rose from 18% to 23%, while those with less than high school education decreased from 27% to 18%. Furthermore, the national high school dropout rate fell by one-third between 1991 and 1999 to 12%.

THE HEALTH OF CANADIANS

Trend	Indicator	Performance Highlights
⇧	Life Expectancy	Life expectancy at birth has steadily increased from 77.3 years in 1989 to nearly 79 in 1999 (76.3 for men and 81.7 for women). Life expectancy at birth of First Nations on reserve also increased in the last decade; a gap of approximately 6.3 years remains, however.
⇩	Self-rated Health Status	The percentage of Canadians aged 12 and older who rated their own health as very good or excellent has decreased from 63.1% in 1994–95 to 62.1% in 2000–01. Furthermore, health status is not evenly distributed across Canada's communities. Regions in the Far North have lower proportions of residents reporting very good or excellent health.
⇧	Infant Mortality	In the last decade, the infant mortality rate has steadily decreased from 7.1 deaths per 1,000 live births in 1989 to 5.3 deaths per 1,000 live births in 1999. Although declining, the infant mortality rate for First Nations on reserve continues to be higher than the Canadian rate at 8 deaths per 1,000 live births.
⇧	Physical Activity	In 2000–01, about 42.6% of Canadians aged 12 and over were at least moderately physically active during their leisure time, up from 39.4% in 1994–95. The prevalence of physical activity increased in almost all age groups, with the largest gain occurring among 20- to 34-year-olds.

THE CANADIAN ENVIRONMENT		
Trend	**Indicator**	**Performance Highlights**
⇧	Air Quality	Levels of several air pollutants are dropping. From 1990 to 2000, decreases have been observed in the levels of nitrogen dioxide, sulphur dioxide, and carbon monoxide in Canada, as a percentage of maximum acceptable levels. However, no definitive trend upward or downward has been observed for particulate matter and ground-level ozone.
⇧	Water Quality	Wastewater treatment from municipal systems has shown continuous improvement over a 10-year period. In 1989, almost 20% of the municipal population in Canada connected to municipal sewer systems had no sewage treatment. By 1999, this figure was reduced to less than 4%. Despite these improvements, challenges remain in many rural and coastal communities.
⇩	Biodiversity	During the period from 1985 to 2002, the status of most reassessed species considered at risk remained unchanged and the status of a quarter of the reassessed species deteriorated.
⇧	Toxic Substances in the Environment	Mercury emissions in the air saw an overall decrease of 35% from 1995 to 2000. Emissions were reduced primarily from incineration operations as well as from the steel and primary base metals sectors. Emissions from electric power generators, however, increased over this time period.
THE STRENGTH AND SAFETY OF CANADIAN COMMUNITIES		
Trend	**Indicator**	**Performance Highlights**
⇩	Volunteerism	In 2000, 27% of Canadians volunteered 1.05 billion hours of work in Canada, representing a decrease of 13% from 1997.
—	Attitudes Toward Diversity	According to a 2002 survey, 59% of Canadians “feel that racism is a big problem in Canada.” However, 72% of Canadians believe that prejudice against ethnic and racial minorities will decline over the next 10 years, a seven-point increase from 2000 and a 10-point increase from 1990.
⇩	Participation in Cultural Activities	From 1992 to 1998, the proportion of the Canadian population aged 15 and over who participated in cultural activities declined. For example, attendance figures decreased at performances of live theatre (down 4%), popular music (down 4.1%), symphonic music (down 4%) and opera (down 1.4%). In contrast movie-going rose by 10.5% and visits to historic sites rose by 5.7%.
⇩	Political Participation	Canadian political participation is in decline. Federal voter turnout rates have declined from 69.6% in 1993 to 61.2% in 2000, the lowest of any post-war decade.
⇧	Safety and Security	While the overall crime rate went up marginally by 1.3% in 2001, it is still substantially lower than in 1992.

ECONOMIC OPPORTUNITIES AND INNOVATION IN CANADA

THE ISSUE

Gross Domestic Product per Capita	Real Disposable Income per Capita	Innovation	Employment	Literacy	Educational Attainment
⇧	⇧	⇧	⇧	—	⇧

With one of the world's strongest economies, Canadians continue to enjoy one of the highest standards of living, while maintaining the principle of sharing the benefits of this prosperity among all citizens. Although a global economic slowdown affected all major economies in 2001, its impact was not felt as severely in Canada. Moreover, the Canadian economy recovered with more strength and speed than that of other countries, including the United States.

This strong economic performance can be linked to our solid fundamentals. In the 2001–02 fiscal year, the federal government recorded a budgetary surplus of $8.9 billion, its fifth consecutive surplus. Consequently, the federal net debt was reduced by the same amount, resulting in a net debt-to-GDP ratio of about 49% in 2001–02, compared with a high of almost 71% in 1995–96.

Inflation and interest rates continue to be low and stable, and our economic growth prospects for the next couple of years look positive according to official forecasts from the International Monetary Fund and the Organisation for Economic Co-operation and Development (OECD).

In an increasingly competitive and technology-driven world economy, however, Canada faces many challenges in order to maintain a high standard of living. The greatest potential for improving living standards lies in improving productivity growth and competitiveness, two areas where Canada has lagged behind the United States for many years. A more productive and competitive economy benefits all aspects of the economy and society. Specifically, it encourages investment dollars to come into Canada, helps create opportunities for skilled Canadians and valued Canadian companies to remain in Canada, and facilitates global expansion of Canadian businesses and exports.

In 2002, the federal government launched Canada's Innovation Strategy (www.innovationstrategy.gc.ca), which is designed to improve the productivity and competitiveness of the economy by improving the level of innovation. A modern, competitive economy is one that has a high level of innovation, which results in new products for international markets and in more efficient ways to produce goods and services.

Presented in two papers — *Achieving Excellence: Investing in People, Knowledge and Opportunity* and *Knowledge Matters: Skills and Learning for Canadians* — the strategy provides a roadmap for improving innovation and outlines clear priorities and targets. *Achieving Excellence* focusses on economic growth by encouraging increased knowledge through investments in Research and Development and by ensuring that the appropriate business and regulatory policies are in place to encourage and recognize investment and innovation excellence.

In *Knowledge Matters,* the government outlines a plan to ensure that Canada will have a highly skilled and adaptable workforce by ensuring that all Canadians are able to realize their education and employment potential. This includes ensuring access to post-secondary institutions based on ability, recognizing foreign credentials, attracting skilled immigrants, as well as increasing literacy skills of Canadians.

After the release of the innovation strategy, the government launched a national engagement process, which aims to identify priorities for action for all partners in order to achieve national innovation goals.

The role of the federal government is to work with other governments, businesses, institutions, and Canadians to help ensure that Canada is a magnet for investment, skilled knowledge workers, cutting-edge research, and science and innovation. The government also ensures that economic growth is sustainable and leads to opportunities for all Canadians.

Making progress in these areas will be challenging, but the solid fundamentals of the economy, our modern infrastructure, and our well-educated workforce combine to form a durable foundation for success. Evidence from the last two years suggests that some progress has already been made.

This chapter provides a snapshot of the state of economic opportunities and innovation in Canada as determined by the six following indicators:

- **Real gross domestic product (GDP) per capita** indicates the real level of resources available to make Canadians better off. It is the inflation-adjusted value of all products and services produced in a country relative to the size of the population.

- **Real disposable income per capita** focusses more on an individual's take-home income. It is personal-sector income after taxes and transfers, adjusted for inflation. It excludes income used to produce government goods and services, such as education and health, which is captured in real GDP per capita.

- **Innovation** is the process through which economic and social value is extracted from new knowledge. It has a direct bearing on quality of life by improving the productivity and competitiveness of an economy. Through innovation, goods and services are produced more efficiently and new products are brought to market.

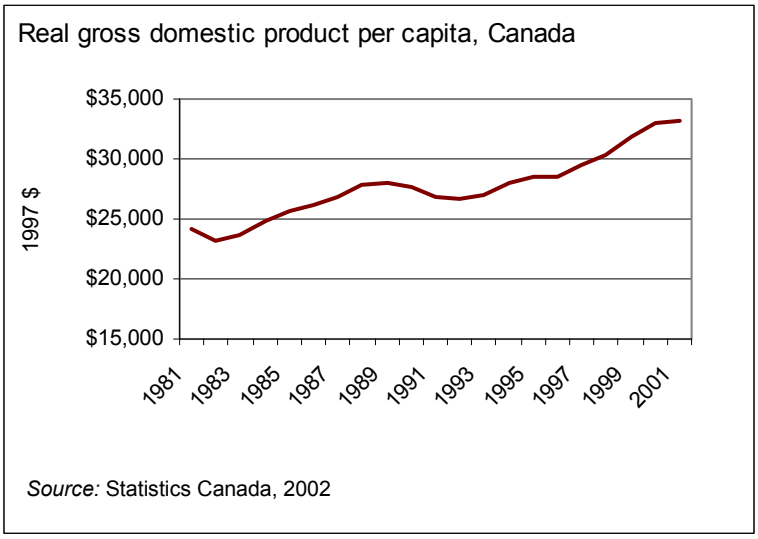
- The **employment** rate is the percentage of working-age people who have jobs. A higher employment rate has the direct effect of raising household income and is thus an important element in raising the average standard of living.

- **Literacy** is crucial to the development of basic skills and lifelong learning. Many countries promote it with the aim of improving their economic health and the human condition of their citizens. Literacy is especially important in today's highly competitive global economy and countries are quickly moving to develop and nurture their own human capital, recognizing it as central to their economic success.

- **Educational attainment** measures the human capital of the nation, and it indicates the quality and skills level of the workforce. A well-educated and well-trained labour force is critical to the social and economic well-being of the country, enabling it to take advantage of economic opportunities and generate innovative ideas. Education plays a role in raising the skills and competencies of the population, thereby improving the capacity of people to live, work, and learn well.

WHAT WE KNOW

Real gross domestic product (GDP) per capita: Commonly used as an indicator of economic well-being, real GDP per capita is the inflation-adjusted value of all products and services produced in a country relative to the size of the population. It is, as well, a measure of income generated by production within the country on a per person basis.

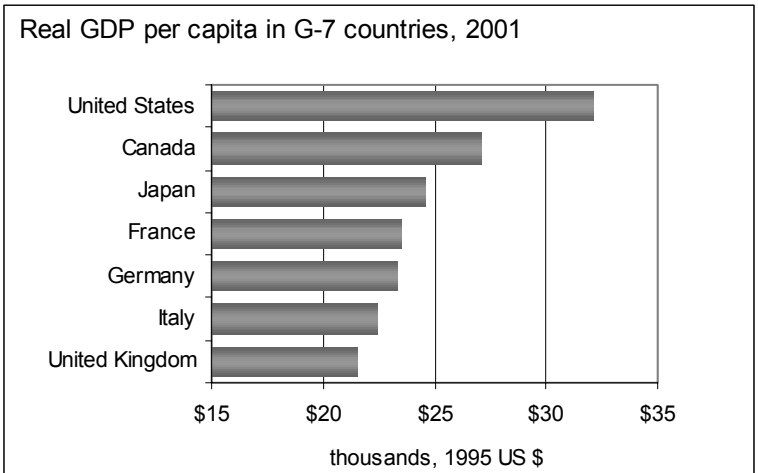


The average standard of living of Canadians has increased substantially over the past several years. Real GDP per capita growth has averaged 3 per cent per year since 1997, a substantial improvement over the early 1990s. This strong growth has allowed Canada to maintain one of the highest standards of living among the G-7 countries, second only to that of the United States in 2001.

Canada's position relative to the United States on this measure has been slipping over the past two decades. The gap between the living standards of the two countries has widened considerably since 1980, primarily reflecting slower productivity and employment rate growth in Canada. Improving our productivity requires increasing the average amount that each worker

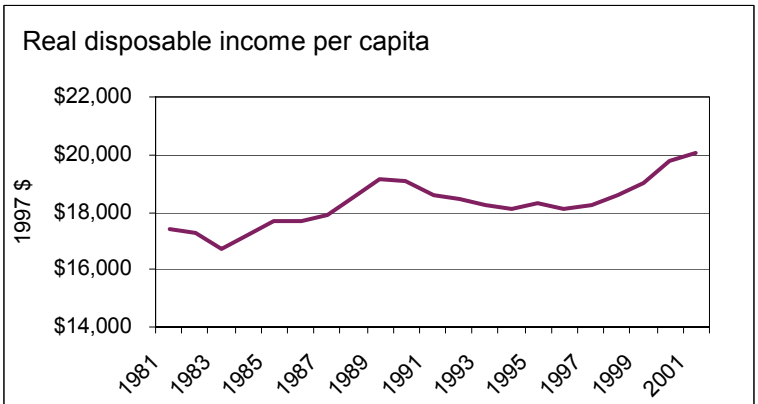
produces. This requires investing more in innovation; adopting new advanced technologies, including new machinery; and continuing to build a highly skilled workforce. Indeed, these are key components of the government's 2002 innovation strategy.

Real disposable income per capita: Similar to real GDP per capita, real disposable income per capita is dependent on a variety of factors, such as productivity, the employment rate, changes in taxes, and transfers to individuals.



Source: OECD Economic Outlook, June 2002

Canadians continued to realize gains in their real disposable income in 2001. After declining in the first half of the 1990s, real personal disposable income growth has picked up since 1997, reflecting strong employment growth and cuts in personal income taxes. Real disposable income per capita grew at an average rate of 2.1 per cent per year between 1997 and 2001.



Source: Statistics Canada, 2002

Despite the strong growth in average incomes, there is still progress to be made. The Canadian income tax system and federal direct income transfers, such as the Canada Child Tax Benefit, work to limit the gap in income between the highest and lowest earning groups in Canada. These policies of income redistribution have been effective in keeping this income gap almost unchanged over the last 20 years. Even so, there is a growing gap in wealth (net worth) among Canadians, and certain segments of our society disproportionately experience economic hardships.

LOW INCOME IN CANADA

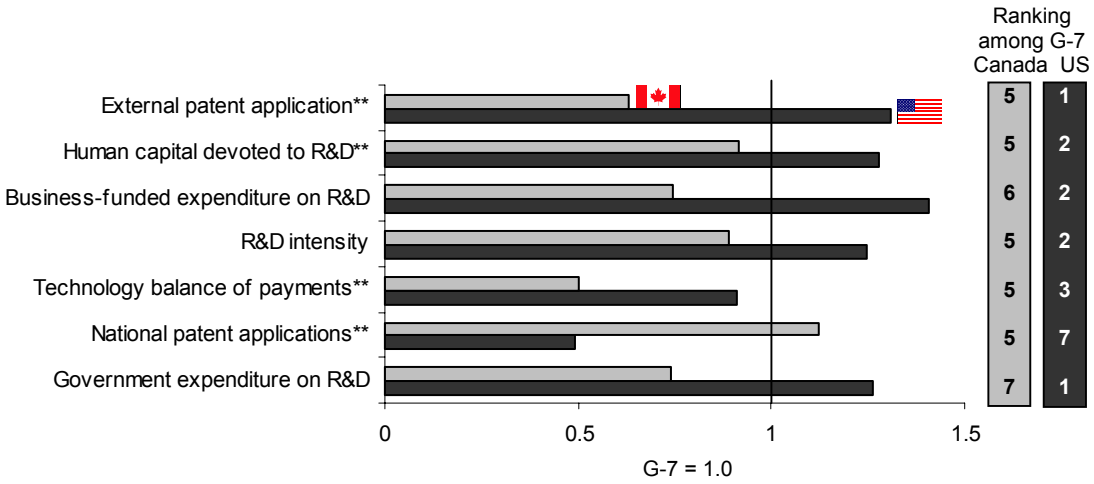
Many Canadians live on incomes that are insufficient for their daily needs or for their adequate participation in society. Statistics Canada has, for many years, published data for after-tax Low Income Cut-Offs (LICOs), which is the income level (after tax and income transfers from governments) at which a family has to use substantially more of its income than the average Canadian family for food, shelter, and clothing. In 2000, a family that had to spend more than 64% of after-tax income on these items was considered to be below the LICO, and thus living in "strained circumstances."

- The percentage of Canadians living below this LICO measure has moved from 11% in 1990 to a high of 14% in 1996, and down to 12% in 1999. (Statistics Canada)
- In 1999, 18.1% of Aboriginals[1] living off reserves had incomes below the after-tax LICO compared to 17.7% in 1990. (On-reserve figures are not available.)
- Since 1991, there has been a substantial increase in the percentage of new immigrants (those in Canada for less than 10 years) living below the LICO. The latest data indicate that these immigrants are 2.5 times more likely than non-immigrants to be below the LICO.
- Female single-parent families, followed by single-person households, are the most likely to have incomes below the LICO. In 1999, 41% of female single-parent families and 30% of single persons had incomes below the cut-off. (*Income trends in Canada*, Statistics Canada)
- Children in low-income families are more likely than others to have behavioural and learning problems and higher school dropout rates.

Innovation is a fundamental building block of productivity, competitiveness, and income growth. In today's world, innovation through new knowledge has become the main source of competitive advantage in all sectors of economic activity. The knowledge base of an economy can be defined as "the capacity and capability to create and innovate new ideas, thoughts, processes and products, and to translate these into economic value and wealth." (*Competitiveness Index 2002: Benchmarking the Globe's High Performing Regions*, Huggins and Izushi) This means coming up with new ideas about how to do things better or faster or creating a product or service that has not been developed or thought of previously.

[1] Information about First Nations and Aboriginal populations is derived from various sources and can refer to different populations. Throughout this report, "Aboriginal" refers to all indigenous persons of Canada, of North American, Indian, Inuit, or Métis ancestry, including those registered under the *Indian Act*; and "First Nations" refers to those persons who are registered under the *Indian Act* and, unless otherwise stated, refers to First Nations on reserve.

Canada's Innovation Performance (Standing Relative to G-7, 2000*)



* or latest year available
** adjusted by the size of labour force
Source: OECD, Main Science and Technology Indicators, 2002-1

Various studies have shown that Canada is a weak performer in innovation. OECD studies, for instance, suggest that an "innovation gap" separates Canada from leading OECD countries. Similarly, the World Economic Forum rates Canada's current innovation capacity as only tenth in the world, far behind the United States with its first place ranking. The corresponding chart shows that in a number of indicators of innovation performance, Canada is considerably behind the US and other G-7 countries.

The World Economic Forum indicates, however, that Canada is well positioned to make progress in innovation, with an innovation growth potential ranking of first in the world, a reflection, in part, of our high post-secondary enrolment. Some progress has begun to be visible. In 2000, Canada moved up from sixth to fifth place among G-7 nations with respect to total research and development spending as a percentage of GDP (R&D intensity), and this expenditure increased again in 2001 to 1.92% of GDP.

Also, in another indicator of innovation, connectedness, which indicates the ability to use information and communication technologies to interact and transact with one another, Canada is one of the better performing countries, ranking second behind the United States in the Conference Board of Canada Connectedness Index. This can be seen in the high level of high-speed Internet usage in Canada, 6.2 connections per 100 inhabitants, the highest of all G-7 countries.

To build on this high level of connectedness, the Government of Canada has committed to being the government that is the most connected to its citizens. Under the Government On-line Initiative, Canadians will be able to access all government information and services on-line by

2005. We are already making commendable progress. In 2002, for the second year in a row, Canada was ranked first in the world for electronic access to government programs and services. (*eGovernment Leadership — Realizing the Vision*, Accenture, 2002)

Employment: A high employment rate is a key element in achieving a high average standard of living. The rate is sensitive to a variety of factors, such as general economic condition and age distribution of the population.

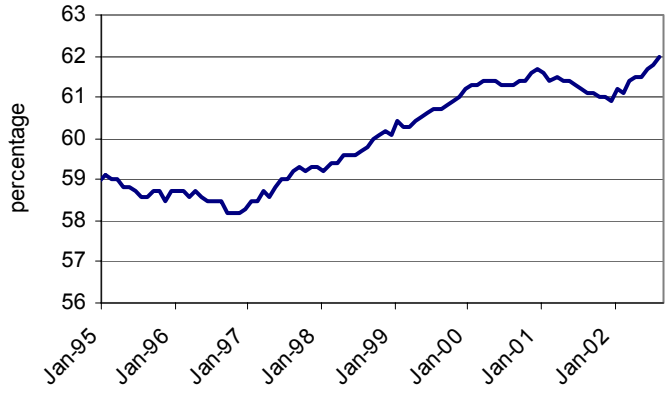
CANADA'S INTERNATIONAL TRADE

International trade is of growing importance to Canada's economy and the standard of living of Canadians; it is estimated to be linked to one in four jobs in Canada. Some recent trends in international trade are as follows:

- Total Canadian exports grew from 25% of GDP in 1990 to 43% in 2001, reflecting new opportunities created by free-trade agreements and the reduction of trade barriers in the global economy. Imports similarly grew from 25% of GDP in 1990 to 38% in 2001.
- The United States is by far our biggest trading partner, accounting for 82% of our exports, 71% of our imports, 51% of Canadian direct investments abroad, and 67% of foreign direct investment in Canada in 2001. Contrasting this, trade with the European Union and Japan has declined over the last decade.
- In 2001, there was some shift in the mix of our exports: machinery and equipment, automotive, and forestry products dropped sharply, while the export of agricultural and energy products and consumer goods increased substantially. Despite these changes, machinery and equipment remained our strongest export at 24% of all goods exported. (*Third Annual Report on Canada's State of Trade, Trade Update*, May 2002, Department of Foreign Affairs and International Trade)

The global economic slowdown that persisted through much of 2001 affected the pace of employment growth in Canada. In 2001, annual average employment grew by only 1.1 per cent, after strong average growth of 2.6 per cent from 1997 to 2000. By the end of 2001, however, economic recovery was well underway, and the Canadian labour market has created a record number of new jobs thus far in 2002: 427,000 in the first nine months. The renewed strength in the labour market helped put the employment rate back on the upward trend that began around 1997.

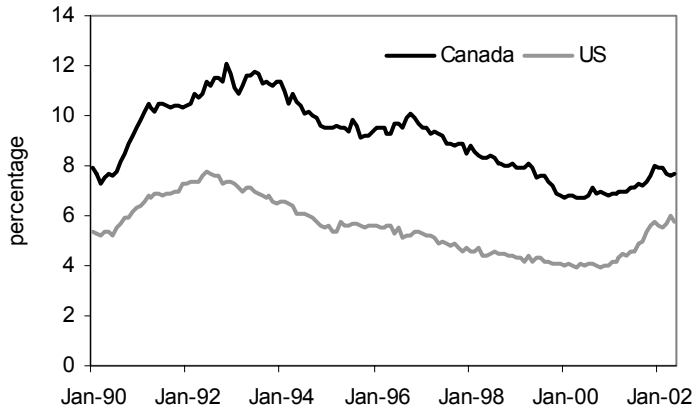
Employment rate in Canada



Source: Statistics Canada

There has been a significant reduction in Canada's unemployment rate over the 1990s as well. On an annual basis, Canada's unemployment rate dropped from 11.4% in 1993 to 7.2% in 2001. With the Canadian labour market performing better than that of the United States in 2001 and so far in 2002, the gap between the unemployment rates in the two countries has narrowed from almost five percentage points in late 1996 to 2.1 percentage points by September 2002.

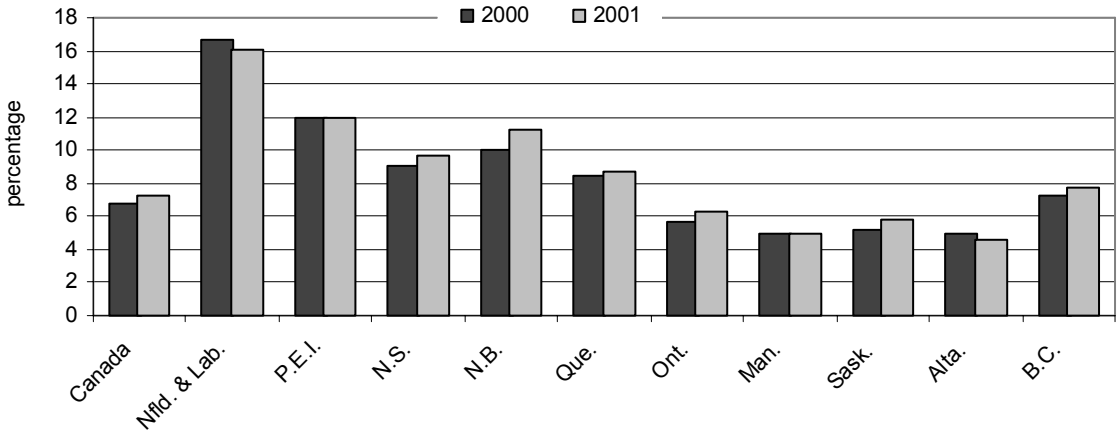
Unemployment rates in Canada and the US



Source: Statistics Canada, US Bureau of Labor Statistics, 2002

Despite the progress made in the last few years, a number of Canadians continue to experience employment difficulties. For example, the Atlantic provinces and Quebec continue to have substantially higher unemployment rates than the Canadian average. The rates among Aboriginals and recent immigrants are also much higher.

Unemployment rate in Canada



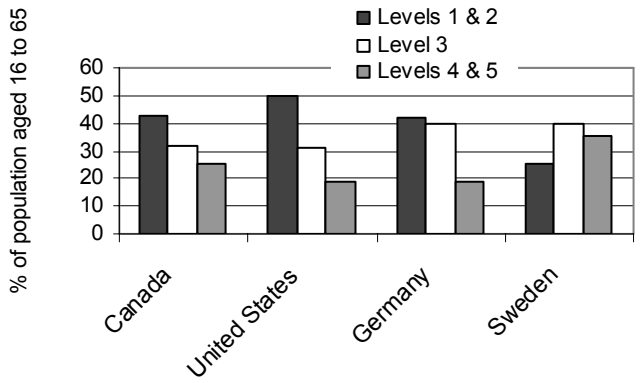
Source: Labour Force, Employment and Unemployment Monthly, Department of Finance Canada 2002

LABOUR MARKET DETAILS

- In 2001, unemployment among women was 6.8%, slightly lower than that of men at 7.5%, continuing a trend that began in the 1990s. Women accounted for 46% of the labour force in 2001, up from 38% in 1976, making the movement of women into the labour force one of the dominant social trends of the last half-century. (*Women in Canada: Work Chapter Updates,* Statistics Canada, 2002)
- The unemployment rate for Aboriginal Canadians is almost two and a half times the rate for non-Aboriginal Canadians, rising to three times for Aboriginals on reserves. ("Aboriginal People in Canada," INAC, Statistics Canada, 2002) By 2006, the population of working age Aboriginals is expected to increase by 67% from its 1991 levels, a growth rate that is much higher than that of the non-Aboriginal population.
- Recent immigrants have difficulties integrating into the workforce, in part due to the non-recognition of foreign credentials. The Conference Board of Canada concluded that this results in billions of dollars of lost income each year. (*Brain Gain,* Conference Board of Canada, 2001)

Literacy: Literacy skills matter to a nation because they enable its workforce to compete in a changing world, opening the way for economic growth and enhanced quality of life. A basic level of literacy is now required to get and keep most jobs and to adjust to changing economic opportunities. This is more than simply being able to read and write; it refers to an individual's ability to understand and use different types of information.

International Adult Literacy Survey (IALS), document literacy results, 1994



Note: Levels 1 & 2 are the lowest proficiency levels; 4 & 5 are the highest.
Source: *Literacy Skills for the Knowledge Society*, OECD & HRDC, 1997

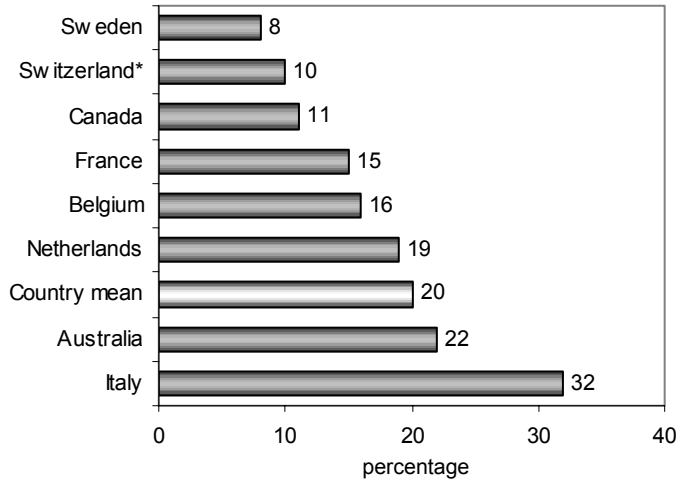
The International Adult Literacy Survey (IALS) is an important tool that has helped to shape the way we think of literacy today. The IALS has five levels of proficiency ranging from the lowest (Level 1) to the highest (Level 5), and tests for three types of literacy — prose, document, and quantitative. In general, Level 3 indicates the minimum desirable threshold in many countries, corresponding roughly to successful high school completion and college entry.

In all three types of literacy, over 40% of Canadians aged 16 and above function below Level 3 of the IALS. This is in part explained by the lower high school completion rates among older adults; however, even in the 16–25 age group, over 30% function below Level 3. Furthermore,

one in five high school graduates under age 20 have inadequate literacy skills. (*Reading the Future: A Portrait of Literacy in Canada,* 1995, Statistics Canada)

The low-level literacy of some Canadians presents a serious problem in the new knowledge-based economy where continual skills upgrades are necessary. One of the federal government's objectives outlined in the innovation strategy is to work with partners to substantially lower the percentage of Canadians with poor literacy skills over the next decade.

Percentage of people aged 15 to 29 who are neither enrolled in nor have completed upper secondary education, selected OECD countries, 1998



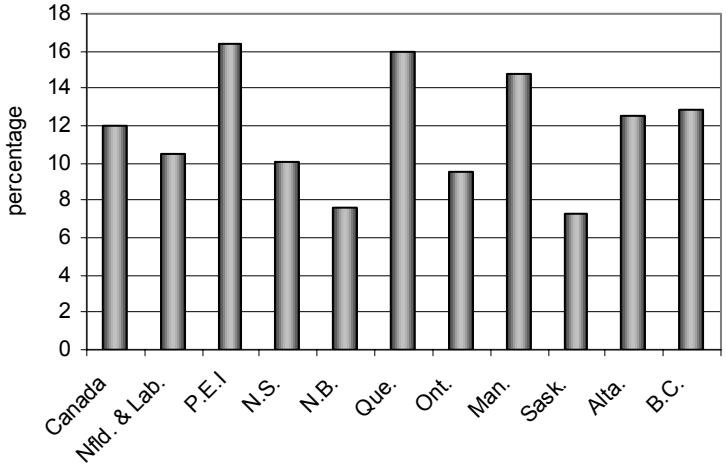
*1999 data
Source: Education at a Glance: OECD Indicators, 2000

Encouragingly, 15-year-old Canadians did very well in a recent Programme for International Student Assessment (PISA). Among the 32 countries, Canada placed second in reading, fifth in science, and sixth in mathematics. Overall, Canada's performance exceeded the OECD averages.

Educational Attainment affects the likelihood of an individual finding employment, the type of employment, and the security of that employment. Education contributes to the wealth of Canadian citizens, families and society as a whole.

In recent decades, the demand for skills has risen in OECD countries. In Canada, between 1990 and 2001, 2.8 million jobs were created for graduates with post-secondary education in contrast to 0.3 million for high school graduates and a loss of 1.1 million jobs for people with less than high school education.

High school dropout rates at age 20, 1999



Source: HRDC and Statistics Canada, 2002

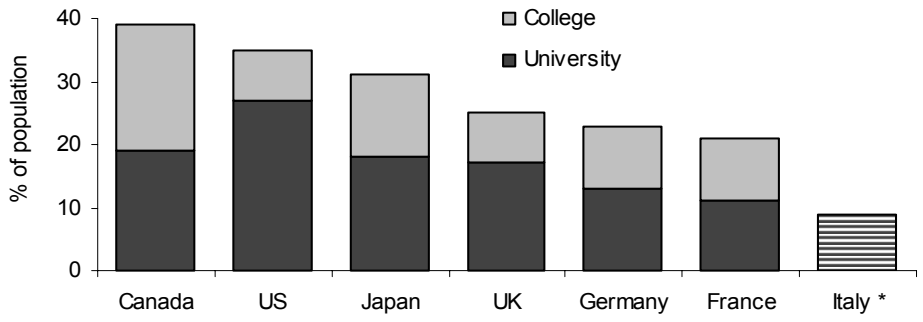
The Canadian workforce is a relatively skilled one. Since 1976, the percentage of Canadians graduating from post-secondary institutions has been increasing, making Canada the leader among G-7 nations in the percentage of the working age population with post-secondary education. Consistent with this, the percentage of youths dropping out of high school has been decreasing.

As of 1999, the national high school dropout rate for 20-year-olds was 12%, a substantial decline from 18% in 1991. (HRDC and Statistics Canada, 2002)

Provincially, the high school dropout rate was lowest in Saskatchewan and highest in Prince Edward Island.

There are, however, areas to be improved. Canada lags behind most OECD countries in the number of Ph.D. graduates, which is critical to our R&D capability. Also, educational attainment among Aboriginals, although improving, remains lower than that of other Canadians.

Percentage of the population aged 25 to 64 with completed post-secondary education, G-7 countries, 1999



* Only combined university and college data available for Italy.
Source: Education at a Glance: *OECD Indicators,* 2001

PERFORMANCE INFORMATION

Many federal organizations are working to improve economic opportunities and innovation in Canada. To do so, these organizations plan, monitor, and report on their programs, policies, and initiatives in accordance with broad "strategic outcomes."

Strategic outcomes are the enduring benefits to Canadians that departments and agencies attempt to achieve. These outcomes flow from the mandates of federal organizations and contribute to broad, government-wide priorities. In most cases, strategic outcomes require the combined resources and sustained effort of several partners over a long period of time.

Federal organizations report on their strategic outcomes in two sets of documents tabled annually in Parliament. In their Reports on Plans and Priorities (RPPs), departments and agencies provide information on objectives, initiatives, and planned results — including links to related resource requirements. In their Departmental Performance Reports (DPRs), departments and agencies describe the accomplishments achieved against the performance expectations set out in the RPPs.

The Canada Economic Development Agency for Quebec Regions is one example of a federal organization that is contributing to the government-wide attempt to improve economic opportunities and innovation in Canada.

ORGANIZATION: CANADA ECONOMIC DEVELOPMENT FOR QUEBEC REGIONS

STRATEGIC OUTCOME: FOSTER ENTERPRISE DEVELOPMENT

The Canada Economic Development Agency for the Quebec Regions, in its efforts to achieve its strategic outcome, supports development and expansion projects of Quebec businesses. Thus, in order to reinforce the competitive positioning of businesses, the Agency's priorities focus on the modernization of their business practices and the development of their capability to innovate and commercialize on foreign markets. Furthermore, the Agency contributes to creating and supporting a network of local and regional development organizations that assist Quebec small- and medium-sized businesses by providing them with products and services in innovation, commercialization, exports, productivity, and more.

In 2001–02, the Agency contributed to the implementation and establishment of six knowledge and technology transfer institutions. Furthermore, the Agency's financial support led to the implementation of 125 innovation-related projects to promote awareness, to develop innovative action plans, to develop or enhance products, and to acquire new equipment. In addition, the Agency supported 50 trade missions abroad to promote products and services of Quebec businesses to foreign markets.

All the new initiatives supported by the Agency during the 2001–02 fiscal year should, over time, generate investment totalling more than $1.7 billion across Quebec. This investment contributes to the economic development of rural regions and the development of city neighbourhoods undergoing restructuring within large urban centres in Quebec.

Following is a list of some of the other departments and agencies that have strategic outcomes related to economic opportunities and innovation in Canada. Further information on these strategic outcomes is available via hyperlinks in the electronic version of this report. Clicking on the departments and agencies listed below will lead the reader to the Government of Canada's "Strategic Outcomes Database."(http://www.tbs-sct.gc.ca/rma/krc/cp-rc_e.asp) This Database provides information (and links for further references) on planned activities and expenditures, results evidence, relevant audits and evaluations, and program background for the government's more than 200 strategic outcomes.

In addition to the departments listed below, there are certain federal organizations that provide support to all departments and agencies such as the Treasury Board of Canada Secretariat, the Public Service Commission of Canada, Statistics Canada, and Public Works and Government

Services Canada. Information on the performance and plans of these organizations is also available at the Strategic Outcomes Database Web site.

In the table below, departments have been clustered into several "horizontal areas;" these are areas in which several departments and agencies are working toward a common goal.

This tentative clustering of departmental efforts will facilitate horizontal or whole-of-government thinking. It helps to identify common leverage points by which different federal organizations can plan strategies and monitor success in their efforts to improve economic opportunities and innovation in Canada.

HORIZONTAL AREA	FEDERAL DEPARTMENT OR AGENCY
An effective regulatory regime	Agriculture and Agri-Food Canada Canada Customs and Revenue Agency Canadian Food Inspection Agency Canadian Grain Commission Canadian Transportation Agency Copyright Board Canada Fisheries and Oceans Canada Human Resources Development Canada National Energy Board Northern Pipeline Agency Canada
Regional economic growth	Atlantic Canada Opportunities Agency Canada Economic Development for Quebec Regions Fisheries and Oceans Canada Western Economic Diversification Canada
Sound and secure trade and financial systems	Canadian International Trade Tribunal Department of Foreign Affairs and International Trade NAFTA Secretariat – Canadian Section Office of the Superintendent of Financial Institutions Canada
A competitive economy	Canadian Space Agency Department of Finance Canada Department of Foreign Affairs and International Trade Fisheries and Oceans Canada Indian and Northern Affairs Canada and Canadian Polar Commission National Round Table on the Environment and the Economy Transport Canada

HORIZONTAL AREA	FEDERAL DEPARTMENT OR AGENCY
Effective partnerships among economic stakeholders	Canada Industrial Relations Board Canadian Artists and Producers Professional Relations Tribunal Western Economic Diversification Canada
A fair and competitive marketplace	Canada Customs and Revenue Agency Canadian Grain Commission Canadian Radio-television and Telecommunications Commission Competition Tribunal Industry Canada
An innovative knowledge-based economy	Agriculture and Agri-Food Canada Atlantic Canada Opportunities Agency Canadian Space Agency Department of Finance Canada Industry Canada National Research Council Canada Natural Resources Canada Natural Sciences and Engineering Research Council of Canada Social Sciences and Humanities Research Council of Canada Western Economic Diversification Canada
Equitable income distribution	Canada Customs and Revenue Agency Department of Finance Canada Human Resources Development Canada
A fair share of international markets	Canadian International Development Agency Canadian Space Agency Citizenship and Immigration Canada Department of Finance Canada Department of Foreign Affairs and International Trade Industry Canada

THE HEALTH OF CANADIANS

THE ISSUE

Life Expectancy	Self-rated Health Status	Infant Mortality	Physical Activity
⇧	⇩	⇧	⇧

The health of Canada's society, as well as Canada's success in the 21st century, depends on the health and well-being of individuals and communities. Not surprisingly, Canadians attach great importance to their own health and that of their families, friends, and communities.

Many factors influence health. These go beyond the individual and interact in complex ways. They include social support networks, education, employment and working conditions, social environment, physical environment, personal health practices, healthy child development, biology and genetic endowment, health services, gender, and culture. (*Towards a Common Understanding: Clarifying the Core Concepts of Population Health*, discussion paper, Health Canada, 1996)

The evidence shows that we need to think of health in a broad sense as something influenced by individual and collective action. That means we all have a part to play: in the personal choices and environmental, nutritional and physical activity decisions we make, in the care we give those who are sick, and in shaping government policy. At the same time, many determinants of health are influenced not only by individuals but by the social, economic, and physical environments as well as the action of such players as governments, businesses, and voluntary organizations.

The health care system is one important part of the larger agenda for a healthier Canada. While Canada's health care system is often described as an interlocking set of 10 provincial and 3 territorial plans, the federal government is the fifth largest provider of health services to Canadians and is responsible for the following:

- providing health care services to such groups as veterans, military personnel,[2] inmates of federal penitentiaries, and members of the Royal Canadian Mounted Police. Health Canada provides health services to First Nations populations on reserves, communities in the

[2] Members of the Canadian Forces are specifically not covered by the *Canada Health Act*. Under the *National Defence Act*, the Government of Canada is responsible for the health-care needs of Canadian Forces members, whether at home or abroad. It has therefore established a Military Health Care System to ensure that our military personnel receive health care that reflects the principles articulated in the *Canada Health Act*, whenever and wherever they serve.

territories, and to the Inuit through community-based nursing stations, health centres, and other facilities in isolated and remote areas;

- health protection in general (including disease surveillance, monitoring the effects of changes in the environment on health, regulating pharmaceuticals and medical devices);
- food safety and nutritional quality standards of the Canadian food supply;
- occupational health and safety services, and the health of travelling public;
- developing strategies to promote health, prevent disease, and educate the public about the health implications of the choices they make;
- health information and research, through supporting organizations, such as the Canadian Institute of Health Research, the Canadian Institute for Health Information, the Social Sciences and Humanities Research Council of Canada, Statistics Canada, and other research programs, including those conducted at Health Canada;
- contributing significant financial support to provincial health care systems; and
- providing a stewardship role with regard to the principles contained in the *Canada Health Act.*

This chapter of *Canada's Performance 2002* offers general information on the overall health of Canadians, not on health care system performance. Still, many Canadians are concerned about the health care system, including such matters as unmet health care needs and the availability of emergency services or health care personnel. Furthermore, Canada's population is aging. This has implications for the health care system, and we need to do a good job of supporting and anticipating the needs of older people.

The Government of Canada is committed to working with the provinces and territories to renew and strengthen our health care system. For instance, as part of an agreement with the provincial and territorial governments at the September 2000 First Ministers' meeting, the federal government committed $21.2 billion over five years to the Health Action Plan. The investment will enable all governments to move forward in building a modern and sustainable health system for Canadians.

RISE IN HEALTH CARE SPENDING IN CANADA

- The Canadian Institute for Health Information estimates that health care expenditures passed the $100 billion mark for the first time in 2001. That works out to an average of about $3,300 per Canadian per year, up almost $300 from 2000. Total health care spending was up 4.3% from 2000.
- Canada spent about 9.1% of GDP on health care in 2000. Only the following four OECD countries spent more: the United States (13%), Switzerland (10.7 %), Germany (10.6%), and France (9.5%). At an international level, Canadians spent more per person than 24 of the other 29 OECD countries in 2000, after adjusting for differences in exchange rates and prices. (OECD Health Data, 2002)

Citizens have a right to know what their investment in health is yielding. The September 2000 First Ministers' meeting outlined clear commitments to increase accountability and reporting, and in November 2001, a set of proposed indicators was endorsed by the federal, provincial, and territorial Deputy Ministers.

In September 2002, governments across Canada, for the first time, reported to citizens about health status, health outcomes and quality of service using a set of common indicators – a concrete step toward increased accountability to Canadians. As public reporting continues on how the health system is meeting the needs of Canadians, governments will be able to use the information to renew and strengthen medicare. The Government of Canada's report entitled *Healthy Canadians – A Federal Report on Comparable Health Indicators* is available at: http://www.hc-sc.gc.ca/iacb-dgiac/arad-draa/english/accountability/indicators.html.

Canadians continue to take pride in our public system of health care, while at the same time having concerns for its future. In February 2002, the Commission on the Future of Health Care, headed by former Saskatchewan Premier Roy Romanow, released an interim report. The primary focus of the Commission is the long-term sustainability of the health care system. The interim report served as a framework for the Commission's public and stakeholder consultation process. The Commission's final report will be presented to the Prime Minister in November 2002.

A good way to assess the health of Canadians is by focussing on a few key indicators. This chapter provides a snapshot of the overall health of Canadians based on four indicators.

- **Life expectancy** has long been regarded as a basic and reliable indicator of the overall health of a population, although it has sometimes been criticized for emphasizing longevity over quality of life. Even so, life expectancy allows for reliable comparisons over time and across jurisdictions.

- **Self-rated health status** measures physical and mental health as experienced by citizens themselves. It is an assessment of wellness, not simply the absence of disease. It can also be a good predictor of the existence of more objectively measured problems.

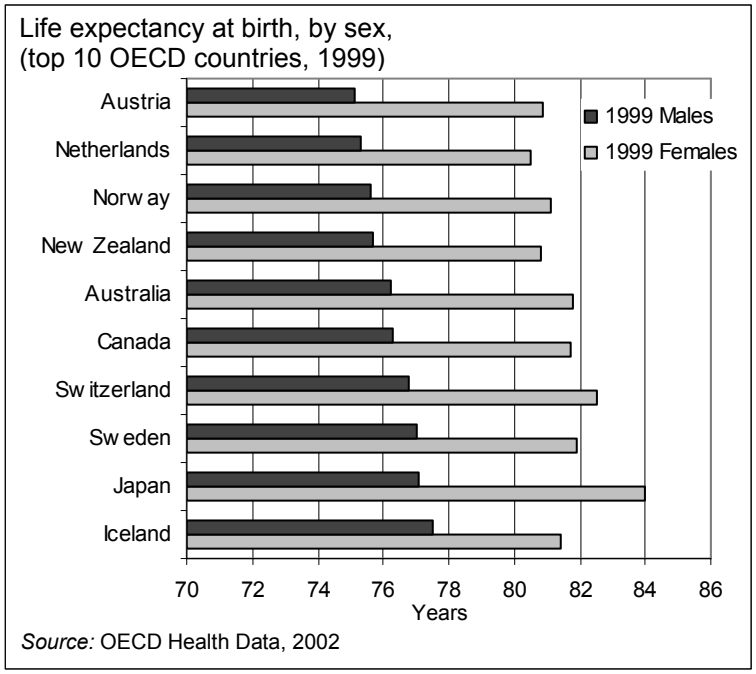
- **Infant mortality** is often used as a basic indicator of social and economic development, allowing for reliable comparisons over time and across jurisdictions.

- Unlike the other three indicators, **physical activity** influences health as opposed to being a measure of it. Lack of physical activity has long been recognized as a risk factor for coronary heart disease. Physical activity provides many health benefits, including weight control; reduced risk of diabetes, cancer, and osteoporosis; stress reduction; and more. Consequently, the level of leisure time physical activity undertaken by individuals is highly relevant to the overall health of Canadians.

These four indicators alone cannot give a truly complete picture of the health of Canadians, but they do highlight the important elements of that picture. For example, with the exception of physical activity, the indicators do not reveal the specifics of how various economic, social, and environmental forces are interacting to shape our health (many of these factors are dealt with in other chapters of this report). Taken together, however, they give us a good idea of how healthy we are.

WHAT WE KNOW

Life expectancy is the number of years a person would be expected to live, starting from birth. A widely used indicator of the health of a population, life expectancy at birth addresses longevity rather than quality of life.



Source: OECD Health Data, 2002

Life expectancy at birth in Canada is among the highest in the world. Overall life expectancy in Canada has steadily increased: from 59 years in the early 1920s to nearly 79 by 1999. (*Health Canada Performance Report 2000–01*)

Since 1961, Canada's life expectancy has consistently ranked among the top 10 of the 30 OECD countries. In 1999, Canadian male life expectancy at birth was in fifth place, behind Iceland, Japan, Sweden, and Switzerland. Canadian female life expectancy at birth was seventh. (*OECD Health Data*, 2002)

Life expectancy at birth reached record heights for both sexes in 1999, 76.3 years for men and 81.7 years for women. In 1996 the life expectancy for women was almost six years higher than that for men. By 1999, the gap in life expectancy between the sexes closed to 5.4 years. (*The Daily*, May 7, 2002, Statistics Canada)

Disability-free life expectancy introduces the concept of quality of life. This indicator measures the number of years a person could expect to live free of any activity limitation. (*Health Indicators*, December 2001) Estimates of disability-free life expectancy from 1995 to 1997 indicate that women could expect to spend just over 12 years, or 15% of their lives, with a disability, compared with about 10 years, or 13%, for men. Thus, the longer total life expectancy for women does not mean that they have an equivalent advantage in disability-free years. (*How Healthy are Canadians?* Statistics Canada, 2001) High obesity rates, high smoking rates, and high rates of depression are associated with shorter disability-free life expectancies. (*The Health of Canada's Communities*, Statistics Canada, 2002)

THE PREVALENCE OF SMOKING

According to the latest results from the Canadian Tobacco Use Monitoring Survey, the prevalence of smoking continues to drop.

An estimated 22% of the population, aged 15 years and over, were smokers in 2001, down 2% from 2000.

About 24% of men were smokers in 2001, the same as in 2000. The percentage of women who smoked dropped from 23% in 2000 to 20% in 2001.

Young adults aged 20 to 24 continue to have the highest smoking rate of any age group, at 32%.

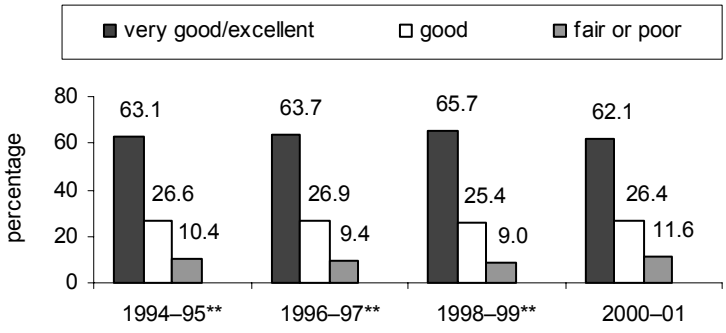
Teenagers aged 15 to 19 have smoking rates close to the national average, at 22.5%, down from 25% in 2000.

Source: Canadian Tobacco Use Monitoring Survey, 2001

Self-rated health status measures physical and mental health as citizens themselves perceive it.

In 2000–01, 62.1% of Canadians aged 12 and over rated their own health as being either very good or excellent, slightly lower than 65.7% in 1998–99. The percentage of Canadians who rated their health as fair or poor increased from 9.0 per cent in 1998–99 to 11.6 per cent in 2000–01. (*Health Indicators*, May 2002)

Self-rated health, population 12 years and over, Canada*



* Data are age-standardized.
** Data for 1994–95, 1996–97, and 1998–99 exclude the territories.
Sources: National Population Health Survey 1994–99; Canadian Community Health Survey 2000–01

Overall in 2000–01, men were more likely than women to rate their health as being very good or excellent (63% versus 59.9%). Among age groups, about 73% of those aged 12 to 14 rated their health as very good or excellent. The proportion reporting either very good or excellent health generally decreased with age, down to a low of some 36% for those aged 65 and over. (*Health Indicators*, May 2002)

HEALTH STATUS IN CANADA'S NORTHERN COMMUNITIES

Health status is not consistent across Canada's communities. Regions in the Far North have low proportions of residents reporting very good or excellent health.

In 2000–01, Nunavut had a proportion of the population who rated their health as either very good or excellent that was significantly lower than the Canadian average with a rate of 55.2%. This trend is consistent with all three regions in the Far North/Northeast for which data exist. (*Health Indicators*, May 2002)

The smoking rates, obesity rates, and heavy drinking rates in Canada's remote northern communities are also above the Canadian averages. (*The Health of Canadian Communities*, Statistics Canada, 2002)

Internationally, Canadians continue to be among the world's people most likely to rate their health as good. According to OECD data, Canada and the United States have the highest percentage of people assessing their own health to be "good" or better. There is, however, no standardized way of measuring perceived health status, and caution is advised when comparing data from different nations. (*OECD Health at a Glance: 2001)*

MENTAL HEALTH OF CANADIANS

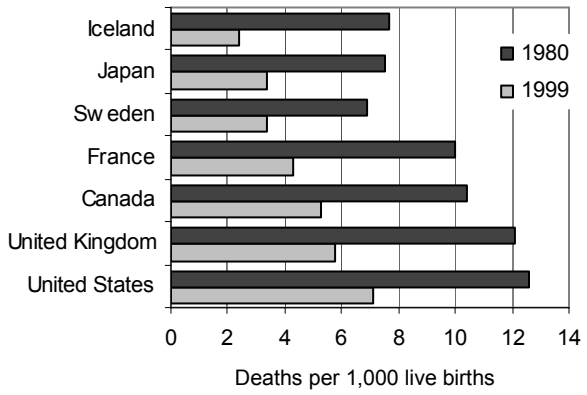
Mental health is as important as physical health to the overall well-being of individuals and societies. Since its inception, the World Health Organization (WHO) has recognized the importance of mental health and this is reflected by the definition of health in the WHO Constitution as "not merely the absence of disease or infirmity," but rather, "a state of complete physical, mental and social well-being." (*The World Health Report 2001,* WHO)

In 2000–01, some 8% of Canadians (aged 12 and over) reported consulting with a mental health professional for a mental health problem. Overall, women were more likely than men to have contacted a mental health professional (11% versus 5.4%). (*Health Indicators*, May 2002)

The single most prevalent mental disorder worldwide is depression. In 2000–01, 7.1% of the Canadian population aged 12 or older had experienced at least one major depressive episode, within the last 12 months. Depression is more prevalent among women at 9.2%, compared with 5.0% among men. Across age groups, the prevalence of depression peaks at 9.6% among 20 to 24 year olds, declines in mid-life and is lowest among seniors at 3.2%. (*Health Indicators,* May 2002)

The **infant mortality** rate has decreased by 1 death per 1,000 live births since 1993. After five years of declines, the infant mortality rate remained unchanged in 1999 at 5.3 deaths per 1,000 live births. The mortality rate of infant boys in 1999 was 5.7 deaths, slightly higher than 4.8 for infant girls. (*The Daily*, May 7, 2002, Statistics Canada)

International comparison of infant mortality, selected OECD countries (1980 and 1999)



Source: OECD Health Data, 2002

As specialized medical care for expectant mothers and, subsequently, their newborns has improved and access to it has expanded, the survival rate has risen for extremely premature babies. This has led to an increase in the number of high-risk newborns registered as births rather than non-births. The result has been a slowdown in the rate of infant mortality reduction.

Canada's progress in combatting infant mortality is good from a North American perspective, but it is less impressive when compared with that of Europe or Japan. In 1999, Canada ranked 17th according to OECD Health Data 2002. Iceland ranked number 1 on the list with 2.4 infant deaths per 1,000, while Japan and Sweden followed in second place each with 3.4 infant deaths per 1,000.

THE HEALTH OF ABORIGINAL PEOPLE IN CANADA

There are notable disparities between the health of Canada's First Nations and Inuit communities and the health of other Canadians. Despite the range of services and programs currently available to these communities, and supported by provincial, territorial, and federal governments, First Nations and Inuit children and families continue to fall far below the Canadian average on many socio-economic indicators of wellness. While progress is being made on many fronts, continued efforts are required to narrow the gaps and build self-sufficient communities. For example:

- Even with major improvements since the 1970s, the infant mortality rate for First Nations continues to be approximately 50% higher than the rate for Canada as a whole.*
- Life expectancy at birth for First Nations is approximately 6.3 years lower than the general Canadian population. (*Basic Departmental Data*, 2001, Indian and Northern Affairs Canada)
- First Nations and Inuit have approximately three times the rate of heart problems and hypertension compared with the general Canadian population. (*First Nation and Inuit Regional Health Survey*, 1999)
- In 2002, only 38% of First Nations survey respondents reported very good to excellent health compared to 61.4% of all Canadians in 2000–01.*
- The self-reported rate of diabetes is two to three times greater for First Nations populations than for the Canadian population as a whole.*
- Tuberculosis rates for First Nations populations are 8 to 10 times as high as they are in the overall Canadian population.*
- In 1999, First Nations populations lost almost five times as many potential years of life (per 100,000 people) to unintentional injury and three times as many years to suicide as did Canadians overall.*

**Source*: *Healthy Canadians: A Federal Report on Comparable Health Indicators*, 2002

Physical activity: There is scientific evidence that physical activity plays a key role in improving health and in preventing disease, disability, and premature death. People who are inactive face a greater risk of Type 2 diabetes, premature death, heart disease, obesity, high blood pressure, osteoporosis, stroke, depression, and colon cancer. Studies indicate that physical activity can reduce the risk of Type 2 diabetes by over 50% (Health Canada, "Physical Activity," 2002) and that the odds of having heart disease are significantly higher for those who are sedentary (5.0%) or those who engage in only light physical activity (3.7%) than for those who engage in moderate or vigorous physical activity (1.0% and 1.3% respectively). (*Body Mass Index and Health*, Statistics Canada, 1999)

According to the 2000–01 Canadian Community Health Survey, 42.6% of Canadians aged 12 and over were at least moderately physically active during their leisure time, up 3.2% from the 1994–95 survey. The prevalence of physical activity increased in almost all age groups, with the largest gain occurring among 20- to 34-year-olds. (*Canadian Community Health Survey: A First Look,* Statistics Canada, 2002) The survey also indicates that women have almost caught up with men in levels of leisure time physical activity. In 1994–95, about 36% of women aged 20 to 64

were physically active, compared with 39% of men. By 2000–01, a larger increase in physical activity for women had closed the gap to 41% of women and 42% of men in this age range. (*Canadian Community Health Survey: A First Look*, Statistics Canada, 2002)

RISE IN PREVALENCE OF OBESITY IN OECD COUNTRIES

According to new results from the *Canadian Community Health Survey* (CCHS), the proportion of the population that is obese has increased. (Statistics Canada, *The Daily*, May 8, 2002) CCHS data show that from 1994–95 to 2000–01, the number of obese Canadians aged 0 to 64 grew by 24%. Obesity leads to a greater propensity for diabetes and circulatory diseases, and so is another health risk that could be reduced by preventive measures such as improved nutrition and more regular exercise. (OECD Health Data, 2001)

Comparative statistics for the United States show that 20% of the adult population aged 18 and older were considered obese in 2000, compared with only 14% in 1994. This increase was much larger than in Canada, where levels increased only two percentage points to 15% during the same period. (*The Daily*, May 8, 2002, Statistics Canada)

Levels of obesity among children aged 7 to 13 have nearly tripled in Canada over the past two decades. Inactivity plays a central role in childhood obesity. Fewer than half of Canadian girls and boys are active enough to benefit their health. *(Health Care In Canada*, 2002)

PERFORMANCE INFORMATION

Many federal organizations are working to improve the health of Canadians. To do so, these organizations plan, monitor, and report on their programs, policies and initiatives in accordance with broad "strategic outcomes."

Strategic outcomes are the enduring benefits to Canadians that departments and agencies attempt to achieve. These outcomes flow from the mandates of federal organizations and contribute to broad, government-wide priorities. In most cases, strategic outcomes require the combined resources and sustained effort of several partners over a long period of time.

Federal organizations report on their strategic outcomes in two sets of documents tabled annually in Parliament. In their Reports on Plans and Priorities (RPPs), departments and agencies provide information on objectives, initiatives, and planned results — including links to related resource requirements. In their Departmental Performance Reports (DPRs), departments and agencies describe the accomplishments achieved against the performance expectations set out in the RPPs.

Health Canada is one example of a federal organization that is contributing to the government-wide attempt to improve the health of Canadians.

ORGANIZATION: HEALTH CANADA

STRATEGIC OUTCOME: SUSTAINABLE HEALTH SERVICES AND PROGRAMS FOR FIRST NATIONS AND INUIT COMMUNITIES SO THEY MAY ATTAIN A LEVEL OF HEALTH COMPARABLE WITH THAT OF OTHER CANADIANS

Improving the health of First Nations and Inuit peoples and reducing health inequalities between them and other Canadians is a priority of the federal government.

To achieve this goal, Health Canada has introduced a number of initiatives and programs aimed at addressing significant health issues and health service gaps among First Nations and the Inuit. To ensure a better quality of life for First Nations and Inuit families, Health Canada implemented programs that focus on early interventions in a child's life and awareness campaigns highlighting the conditions that threaten the health of families. The department's administration of programs and initiatives has contributed to a steady decrease in infant mortality rates over the past 20 years, from 27.6 deaths per 1,000 live births in 1979 to 8.0 deaths per 1,000 live births in 1999.

One such effort is the Canada Prenatal Nutrition Program (CPNP), which attempts to enhance the well-being of mothers, children, and families through the teaching of good parenting skills, early childhood intervention, and community programs. The First Nations and Inuit component of CPNP is designed to improve the nutrition of pregnant women who face conditions that threaten their health and the development of their babies. More than 600 projects exist serving more than 6,000 women. Health Canada has extended the reach and depth of programming to First Nations and Inuit women and infants. Approximately 90% of eligible women participated in the program and more than 1/3 enter the program in the first trimester of pregnancy, which allows more time to positively influence the health of mother and infant. The program is also achieving its goal of reaching women most at risk. Young, single women with low incomes and limited education are most likely to participate in CPNP.

Preliminary evidence demonstrates that the CPNP has a positive impact on some indicators of maternal and child health. Breastfeeding duration rates, in particular, appear to be extended with participation in CPNP. Breastfeeding is related to numerous positive health outcomes over the short- and long-term for both mother and infant, including lower risk of infection, diabetes, obesity, and breast cancer.

Following is a list of some of the other departments and agencies that have strategic outcomes related to the health of Canadians. Further information on these strategic outcomes is available via hyperlinks in the electronic version of this report. Clicking on the departments and agencies listed below will lead the reader to the Government of Canada's "Strategic Outcomes Database" (http://www.tbs-sct.gc.ca/rma/krc/cp-rc_e.asp). This database provides information (and links for further references) on planned activities and expenditures, results evidence, relevant audits and evaluations, and program background for the government's more than 200 strategic outcomes.

In addition to the departments listed below, there are certain federal organizations that provide support to all departments and agencies such as the Treasury Board of Canada Secretariat, the Public Service Commission of Canada, Statistics Canada, and Public Works and Government Services Canada. Information on the performance and plans of these organizations is also available at the Strategic Outcomes Database Web site.

In the table below, departments have been clustered into several "horizontal areas;" these are areas in which several departments and agencies are working toward a common goal.

This tentative clustering of departmental efforts will facilitate horizontal or whole-of-government thinking. It will help to identify common leverage points by which different federal organizations can plan strategies and monitor success in their efforts to improve the Health of Canadians.

HORIZONTAL AREA	FEDERAL DEPARTMENT OR AGENCY
Adequate information on healthy lifestyles	Canadian Centre for Occupational Health and Safety Canadian Institutes of Health Research Health Canada
Accessible high quality health care system	Health Canada National Defence Veterans Affairs Canada
Protection from preventable risks	Canadian Food Inspection Agency Environment Canada Fisheries and Oceans Canada Hazardous Materials Information Review Commission Canada Health Canada Human Resources Development Canada Natural Resources Canada Patented Medicine Prices Review Board Canada Transport Canada Transportation Safety Board of Canada Veterans Affairs Canada
Health care policies that reflect Canadian values	Canadian Institutes of Health Research Health Canada Privy Council Office Veterans Affairs Canada

THE CANADIAN ENVIRONMENT

THE ISSUE

Air Quality	Water Quality	Biodiversity	Toxic Substances in the Environment
⇧	⇧	⇩	⇧

A clean and healthy environment is essential for Canada's economic and social well-being and that of future generations. The natural environment has a tremendous capacity to absorb and filter the outputs of human activity. Much of it is renewable and highly resilient. But, when it becomes overloaded, the economic, health, and social impacts can be devastating.

Our environment is part of our identity, part of our values. The results of inaction and failure to strategically manage issues are clear: costs to our health and the health care system will increase; the sustainability of the economy and our way of life will continue to be compromised; safety and security risks will rise; opportunities to promote innovative solutions to environmental issues will be lost; costs of clean-up and recovery will increase for future generations; and more and more unique spaces and species — our natural heritage — will be lost.

For these reasons, Canadians are profoundly interested in the environment. One of the ways Canadians demonstrate their concern is through willing participation in environmental assessments. Federal departments and agencies undertake, on average, 5,500 to 6,000 environmental assessments annually. These are conducted to identify the environmental effects of proposed projects and the measures required to address them. Many Canadians participate in these assessments by providing their views on how the potential ill effects of specific projects can be avoided or reduced.

Individuals, businesses, and all levels of government bear stewardship responsibility for the environment. From commuters who decide to carpool, to industrial plants that implement pollution prevention programs and process improvements, all Canadians play a crucial role in sustaining the value and integrity of the country's environmental assets.

The role of the federal government is complex. The Government of Canada is responsible not only for environmental management of federal lands and territories at sea, which are set out as legislative obligations, but also for substantial international commitments. The federal government has a critical role to play in the advancement of knowledge in the public interest. This knowledge is the foundation upon which the other federal roles rely, and upon which we can promote and leverage action by others.

Defined by these roles, the Government of Canada addresses environmental issues on many fronts, and does so with a sustainable development approach, which is one that recognizes the synergies of environmental, economic, and social policy objectives. Many federal departments, for instance, regularly table sustainable development strategies that are monitored by the Commissioner of the Environment and Sustainable Development. These strategies help departments to position their programs, policies, and initiatives in relation to broad environmental, economic, and social outcomes.

The federal government has a three-pronged strategy that responds to the complexity and global nature of environmental issues. *Knowledge* is essential for good policy and sound decision making. The federal government has a significant role to play to ensure that the right research and information, and sound understanding of them, including possible uncertainties, are made available in a timely manner to decision-makers. Second, *innovative approaches* support our ability to apply environmental knowledge and shift behaviours while promoting efficiency and long-term competitiveness. Third, while governments must continue to play a leadership role, addressing environmental issues is a shared responsibility. *Partnerships* between jurisdictions and different sectors within society are key to lasting solutions.

International comparisons are difficult in the realm of environmental indicators. Canada is a fairly strong performer according to many World Economic Forum indicators, for instance, but an average-to-poor performer when compared with peer nations using some OECD indicators. However, there is general consensus that Canada's environmental performance shows a need for improvement in some areas. In particular, despite the small size of our population relative to the vast size of our country, we face increasing demands on our natural resources. In fact, in some resource sectors, such as energy use and water consumption, Canadians rank among the highest per capita generators of environmental pressures in the world. (*Key Environmental Indicators*, 2001, OECD)

Developing a coherent picture of our environment from existing information is a challenge. On one hand, we have information on broad-scale issues, such as acid rain and climate change. On the other hand, information on issues of local importance, such as water and air quality, is limited but also important. Obviously, no single measure could cover the full spectrum. The challenge is to develop information systems describing the interaction between human activities and the environment and casting light on issues from the local to the global for all major components of the environment (i.e., natural resources, land areas and ecosystems).

At present, Canada has several of the components of such a system, and the federal government is striving to fill in the gaps and integrate elements already in place. The Minister of the Environment commissioned a task force to explore the development of a Canadian Information System for the Environment. The task force presented its final report in October 2001, and work on an implementation plan is now proceeding. The National Round Table on the Environment and the Economy has also been commissioned to develop indicators that show key linkages between the environment and social and economic well-being.

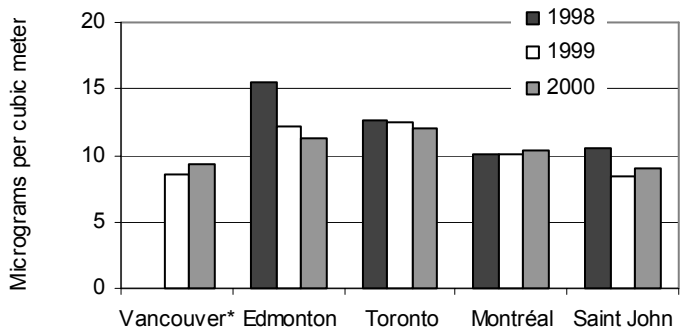
With existing information, it is possible to form a useful, though incomplete, picture of Canada's environment and our relationship with it. This chapter presents a snapshot of some of this information based on the following four indicators:

- **air quality**, assessed by the levels of ground-level ozone, particulate matter, and several other air pollutants;
- **water quality**, assessed by the percentage of the municipal population with wastewater treatment;
- **biodiversity**, assessed by the change in status of species considered at risk; and
- **toxic substances in the environment**, assessed by the amount of these substances released across Canada.

WHAT WE KNOW

Air Quality: Pollutants that come from the combustion of fossil fuels in vehicles, homes, power plants, and other industries affect Canada's air quality. Some of these pollutants originate from sources outside Canada and travel great distances in the atmosphere. Nevertheless, most instances of reduced air quality in Canada result from domestic sources and from sources in the US.

Average annual ambient concentrations of fine particulate matter, selected cities, Canada



*1998 data not available for Vancouver.
Source: National Air Pollution Surveillance Network, 2002

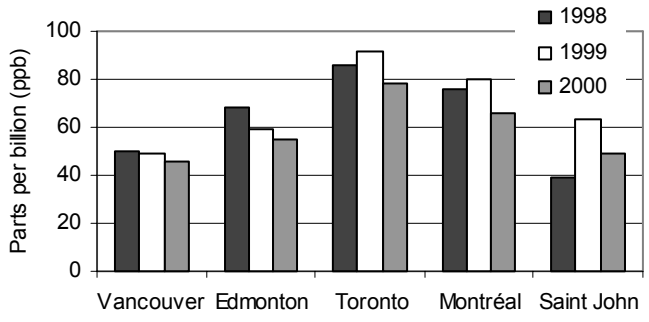
Average air pollution levels in Canada have improved over the last 25 years. Despite this improvement, smog remains a serious health concern in many parts of the country. Smog is a common term for urban air pollution made up of the following two key components:

- Particulate matter refers to all solid or liquid airborne particles — except pure water — that are microscopic in size. Particles are either directly emitted into the air from smoke, fumes, and dust or are formed in the atmosphere through chemical reactions involving previously emitted gases, such as nitrogen oxides, sulphur dioxide, volatile organic compounds and ammonia. The smallest airborne particles, particulate matter with diameters smaller than or equal to

2.5 micrometers ($PM_{2.5}$), pose the greatest threat to human health, because they can travel deepest into the lungs.

- Ground-level ozone is formed when pollutants such as nitrogen oxides and volatile organic compounds react in the presence of sunlight. Ground-level ozone is an air pollutant that can irritate the lungs and make breathing dangerously difficult, particularly for people with asthma or other lung ailments. It can also pose a serious health hazard for elderly persons and children.

Levels of ground-level ozone, selected cities, Canada



Source: Canadian National Air Pollution Surveillance Network, 2002

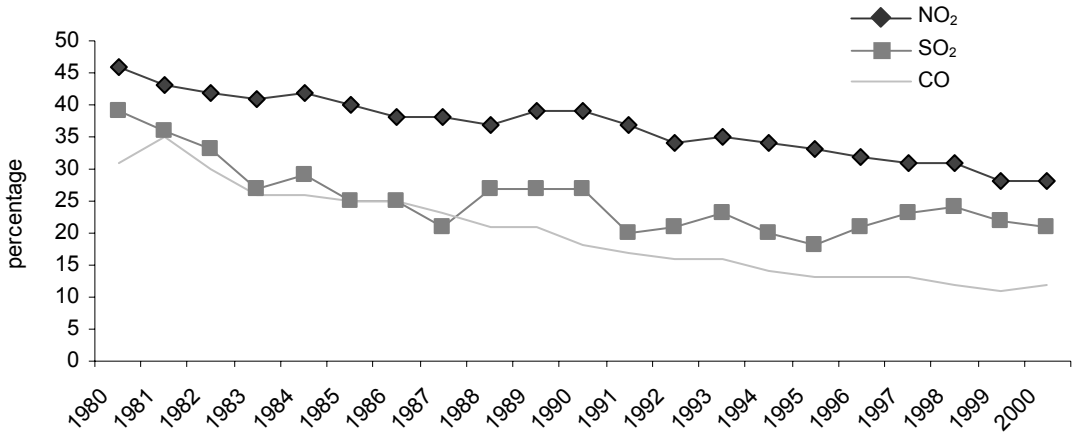
It is difficult to identify definitive trends upwards or downwards for particulate matter or ground-level ozone in recent years. Weather conditions (the frequency of hot days with low wind speeds, for example) are especially important, causing year-to-year variations in ground-level ozone and particulate matter concentrations. Climate change is also expected to worsen summer smog episodes in Canada.

The major areas of concern for smog episodes are the Windsor–Quebec City corridor, the southern Atlantic Region, some parts of Alberta and the lower Fraser Valley of British Columbia.

In 2000, Canada signed the Ozone Annex under the 1991 Canada–US Air Quality Agreement to reduce the flow of certain air pollutants across the Canada–US border. Also in 2000, the Canadian Council of Ministers of the Environment endorsed Canada-wide standards for several airborne pollutants, including ground-level ozone and fine particulate matter ($PM_{2.5}$). These standards set ambient targets to be achieved by 2010.

Since 1980, decreases have been observed in the level of nitrogen dioxide, sulphur dioxide, and carbon monoxide in Canada, as a percentage of maximum acceptable levels. Air quality data is measured at over 152 stations in 55 cities in the provinces and territories.

Levels of nitrogen dioxide (NO_2), sulphur dioxide (SO_2) and carbon monoxide (CO) in Canada, as a percentage of maximum acceptable levels



Source: Canadian Air Pollution Surveillance Network, 2002

CLIMATE CHANGE

The international community has concluded that there is compelling scientific evidence of climate change. Climate change has serious environmental, economic, and health implications for Canada and Canadians.

Canada is responsible for an estimated 2.2% of all global greenhouse gas (GHG) emissions. On an emissions per capita basis, Canada ranks ninth in the world, and second in the G-8 for carbon dioxide emissions from fuel combustion. (*Canada's Third National Report on Climate Change*, 2001) This is due to Canada's higher than average energy use necessitated by its climate and geography. Canada also has an energy intensive economy. Transportation of people and goods account for 25% of total GHG emissions in Canada, making it the single largest source of GHG in the country.

Total Canadian emissions of GHGs to the atmosphere were estimated to be 726 megatonnes of carbon dioxide in 2000, up 3.2% over 1999 levels. This was largely the result of above average increases in energy use for heating combined with an increase in overall economic activity, and despite significant GHG-reducing changes in production processes in the industrial and manufacturing sector.

On September 2, 2002, in Johannesburg, the Prime Minister made the following announcement: "On the basis of extensive and ongoing consultations with other levels of government and stakeholders, we are finalizing a plan of implementation that will permit us to achieve the objectives of the Kyoto Accord. When the consultations have been conducted, and before the end of the year, the Canadian Parliament will be asked to vote on the ratification of the Kyoto Accord."

As part of its ongoing efforts to address climate change, the federal government has committed $1.6 billion, including budget 2001 initiatives, to climate change.

Water Quality: Canadians rely on high-quality fresh water for consumption, recreation, livestock watering, and crop irrigation as well as industrial processes. Clean water is also vital for aquatic life. Lifestyle and economy in Canada are often closely linked to water quality as well, particularly for Northern, remote and First Nations communities. Canadians consider protecting the quality of drinking water sources and maintaining the integrity of aquatic ecosystems to be important environmental issues.

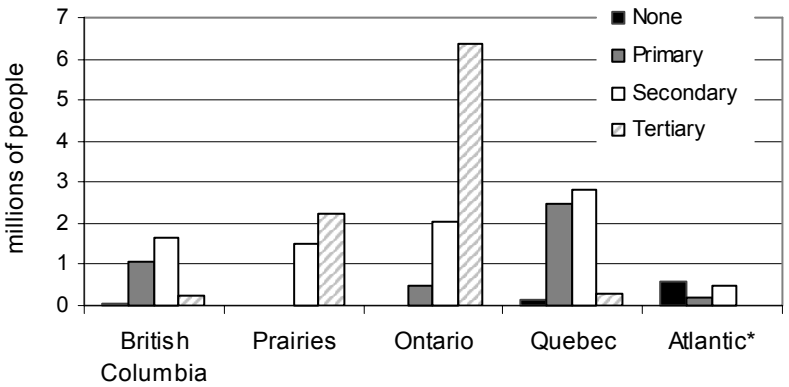
Human activity affects the quality of water resources throughout the country. Threats to water quality can come from sewage, storm water runoff, industrial effluent, waste from intensive livestock operations, agricultural runoff, and the deposition of atmospheric pollution. Climate change also influences water quality. Higher temperatures and more evaporation in summer, for example, will reduce surface water volume while promoting growth of micro-organisms. Municipal wastewater effluents remain one of the biggest sources of pollution, by volume, to Canadian waters. Wastewater contaminants degrade the quality of Canadian estuaries, lakes, rivers, and coastal waters.

Wastewater treatment plants can remove significant amounts of contaminants from municipal effluents. There are generally three different levels of wastewater treatment:

- **primary** treatment removes debris and suspended solids by screening and settling;
- **secondary** treatment uses biological processes to break down organic material and remove additional suspended solids;
- **tertiary** or advanced treatment uses further filtering or chemical or biological processes to remove specific compounds or materials remaining after secondary treatment.

Where investments in wastewater treatment infrastructure, technology and sewer-use control programs have been instituted, progress has been significant. Wastewater treatment from municipal systems has shown continuous improvement over the past two decades. In 1983, more than 27% of the municipal population in Canada connected to municipal sewer systems had no sewage treatment. By 1999, this number had dropped to less than 4%.

Municipal population served by wastewater treatment, by region, 1999



*There is negligible tertiary wastewater treatment in Atlantic Canada.
Source: Municipal Water Use Database, 1999

Despite these improvements, challenges remain, especially with the ageing of many wastewater treatment facilities and the lack of such facilities in many rural and coastal communities. The degree of wastewater treatment varies greatly across Canada. In British Columbia, about 63% of the population served by sewers had secondary or tertiary treatment in 1999. In Ontario and the Prairie provinces, over 94% of the sewered population had secondary or tertiary treatment, and in Quebec some 43% of the sewered population had primary treatment and about 54% had secondary or tertiary treatment in 1999. Currently, negligible amounts of tertiary treatment exist in the Atlantic Provinces. (*National Environmental Indicator Series* "Urban Water," Summer 2001)

Many rural Canadians are served by septic systems, and many coastal communities have only primary wastewater treatment or no treatment at all. Additional pressure comes from expanded agricultural operations and population growth. Since 1983, urban population growth has contributed to a 24% increase in nitrogen loadings to Canadian fresh waters passing through municipal treatment plants. It is also known that certain chemicals are not effectively removed from the effluent stream, examples include pharmaceuticals and personal care products. Emerging science indicates that some of these chemicals may have insidious environmental effects by disrupting hormonal processes in animal and plant life.

Canadians are among the biggest water users in the world. Since 1980, overall water use in Canada has increased by 25.7%. In comparison with 30 OECD nations, only U.S. citizens use more water than Canadians per capita. Canada uses 16,000 litres of water per person per year, a per capita water consumption that is 65% above the OECD average.
(*OECD Environmental Data*, 1999)

DRINKING WATER

Canadians generally enjoy access to high quality, safe drinking water. Yet we share a heightened awareness of how changes in water quality can have profound impacts on human health. Concern over drinking water quality has increased because of outbreaks of drinking water-related illnesses and even deaths in Canada. Recent outbreaks in Walkerton, North Battleford, and elsewhere remind us that safe water is essential for health.

In Canada, the regulation of drinking water is mainly the responsibility of provinces and territories. The federal government, however, has an important role with regard to drinking water on reserves and on federal lands. It also plays a key role in water quality research, risk assessment, and the establishment of guidelines.

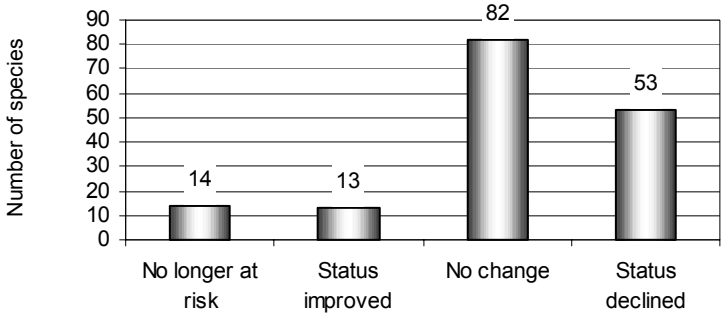
In 2000–01, 98% of on-reserve dwellings had water delivery systems, compared to only 86% in 1990–91. The Assembly of First Nations reports that some of those drinking water systems have problems. Training and capacity building are challenges for on-reserve water and wastewater systems. Many communities lack the technical expertise to provide safe drinking water to their members. The proportion of on-reserve dwellings with sewage disposal systems also increased from 80% in 1990–91 to 94% in 2000–01.

(*1990–2001 Capital Asset Management System*, Information Management Branch, INAC)

Biodiversity: Healthy biological diversity — as reflected in functioning ecosystems — contributes fundamentally to the earth's supply of clean water, clean air, climatic stability, and productive soils. The conservation of the variety of species, their genetic diversity, and the ecosystems of which they are a part is essential to the stability and sustainability of life and livelihoods on the planet. Canadians have a shared responsibility to ensure that native ecosystems and species are conserved.

Canada is home to about 71,500 known species of wild animals, plants, and other organisms, and an estimated 66,000 species may yet be discovered. (*Canada's National Environmental Indicator Series: 10 Years of Reporting,* 2002) Around the world, wildlife populations and their habitats have been disappearing rapidly as a result of deforestation, the spread of non-native species, the loss and deterioration of wetlands, hunting and harvesting, and air and water pollution. Loss of species or change in species composition may threaten ecosystem health and pose risks to our economic and socio-cultural sustainability.

Change in status of 162 reassessed species at risk, from 1985 to 2001



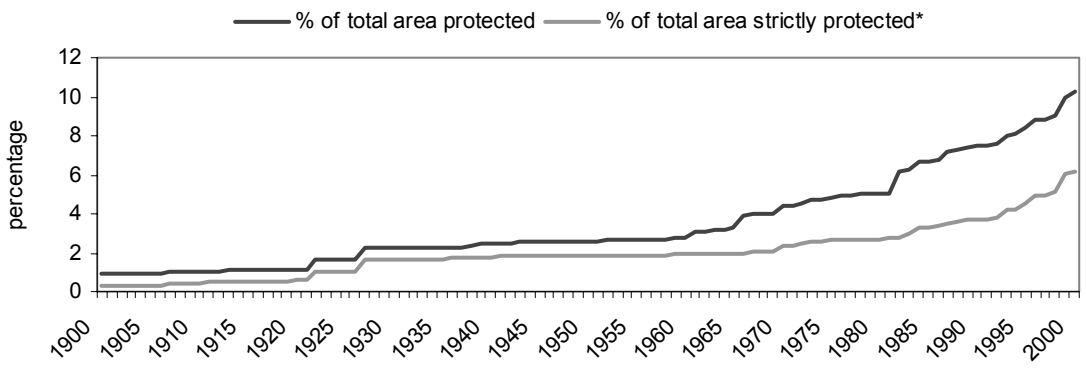
Source: Committee on the Status of Endangered Wildlife in Canada, 2002

The Committee on the Status of Endangered Wildlife in Canada (COSEWIC) has been identifying and monitoring Canadian species considered to be at risk since 1978. COSEWIC regularly reassesses the status of many species on the list. During the period from 1985 to 2002, the status of most reassessed species remained unchanged, and the status of a quarter of the reassessed species deteriorated. The places in Canada with the most endangered or threatened species are those where humans have had the greatest impact on the environment. (*Canada's National Environmental Indicator Series: 10 Years of Reporting,* 2002)

Humans are exerting significant stress on our natural flora and fauna. While Canada is abundant in natural resources, it is not immune from threats to it. Ongoing stresses include the disappearance of prime agricultural land, water, and soil pollution. This has contributed to the depletion of critical vegetation cover and biodiversity as well as the pending extinction of some of Canada's species. Canada's wetlands continue to disappear; old-growth forests on the West Coast and in the boreal forests are shrinking. Less than 5% of Canada's tall grass prairie and 10% of Ontario's Carolinian forests remains.

Marine environments are also facing severe environmental threats from over-exploitation, pollution from land-based and sea-based activities, and the alteration and destruction of habitats and ecosystems. The health of oceans is affected by sewage and pollutant discharge in marine waters, excessive growth of marine plant life, alien species introduction, and changes to hydrology and sediment flow.

Protected areas as a percentage of Canada's total area



*Strictly protected areas are equivalent to the World Conservation Union (IUCN) classes I to III and exclude human activities, such as forestry, mining and agriculture.
Source: Canadian Council on Ecological Areas and Parks Canada, 2002

The federal government is responding by increasing the number of areas where the natural and marine environments are protected and by taking action to protect endangered species.

The amount of strictly protected area in Canada has been increasing significantly over the last century. To date, over 1,044,000 km^2 have been protected. Parks, wilderness areas, habitat, and species protected areas make up the largest portions of this total. However, most protected areas are smaller than 10 km^2, likely too small to protect the ecosystems within. Over 40% of Canadian ecoregions have no strictly protected areas.

Toxic Substances: Toxic substances come from many industrial and household sources. As of 1986, approximately 23,000 substances were in use in industrial processes and consumer goods in Canada. In addition, new substances are developed in or imported into Canada every year. Some of these improve our standard of living; however, others could threaten our health and our environment.

Certain substances, such as mercury, dioxins or furans and PCBs, build up in organisms over time, become increasingly concentrated, and have a stronger toxic effect as they move through the food chain.

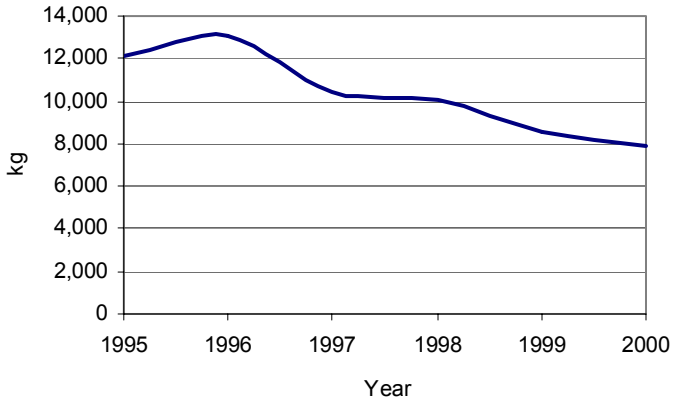
Marine mammals and other wildlife are being studied and are used as an early warning signal for potential effects on human health. Human health concerns related to these chemicals are also

being studied by monitoring levels in breast milk and tissues. For example, numerous studies have found that levels of certain organo-chlorines and heavy metals such as mercury are significantly higher in the breast milk of Inuit women than among women in southern Canada.

The federal government's principal framework for protecting Canadians and the environment from harmful substances is the *Canadian Environmental Protection Act, 1999* (CEPA 1999). Under CEPA 1999 the Government of Canada is mandated to categorize the 23,000 substances on the domestic substances list by 2006. Categorization will determine which substances require assessments. As well, all new chemicals, polymers and products of biotechnology are assessed prior to manufacture, import or sale in Canada. Canada is the first country to systematically categorize all substances in commerce.

The federal government, in partnership with the provinces and territories, is also working to reduce the amount of toxic substances released into the environment through measures such as codes of practice, pollution prevention plans, economic instruments, regulations, Canada-wide standards and voluntary initiatives.

Atmospheric mercury emissions in Canada, 1995 to 2000



Source: Environment Canada Pollution Data Branch (includes National Pollutant Release Inventory data), 2002

Important progress has been made towards reducing emissions from a number of toxic substances (as defined under CEPA 1999) that can have harmful effects on the environment and human health. For example, mercury emissions into the air saw an overall decrease of 35% from 1995 to 2000. Emissions were reduced primarily from incineration operations as well as the steel and primary base metals sectors. Emissions from electric power generators, however, increased over this time period. As a result, Canada-wide standards for mercury used for coal-fired electricity generators are being developed to help address this issue.

More work must be done to understand and limit the risks posed by the thousands of chemicals released into the environment annually. Progress continues toward meeting the challenge of categorizing the substances on the domestic substances list. New scientific and technological developments offer not only opportunities, but also complex risks to the health and environment of Canadians. An increased awareness of the importance of pollution prevention will be crucial for governments, industry, and communities who must all work together to deal with these risks.

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Strategic outcomes are the enduring benefits to Canadians that departments and agencies attempt to achieve. These outcomes flow from the mandates of federal organizations and contribute to broad, government-wide priorities. In most cases, strategic outcomes require the combined resources and sustained effort of several partners over a long period of time.

Federal organizations report on their strategic outcomes in two sets of documents tabled annually in Parliament. In their Reports on Plans and Priorities (RPPs), departments and agencies provide information on objectives, initiatives, and planned results — including links to related resource requirements. In their Departmental Performance Reports (DPRs), departments and agencies describe the accomplishments achieved against the performance expectations set out in the RPPs.

Natural Resources Canada and Environment Canada are two departments, among others, that contribute to the government-wide attempt to improve the Canadian environment.

ORGANIZATION: NATURAL RESOURCES CANADA

STRATEGIC OUTCOME: TO PROVIDE CANADIANS WITH STRATEGIES THAT REDUCE THE ENVIRONMENTAL IMPACTS IN THE NATURAL RESOURCES SECTOR

The exploitation of Canada's natural resources has an impact on the environment, and it is important for our well-being to manage this impact. One of Natural Resources Canada's (NRCan) strategic outcomes is "to provide Canadians with strategies that reduce the environmental impacts in the natural resources sector."

To realize this outcome, the department has several short- medium- and long-term objectives and priorities. These include addressing how Canada will reduce greenhouse gas (GHG) emissions, conducting scientific research, and developing technologies and stewardship practices that reduce negative effects on the environment and conserve our biodiversity.

The department uses performance indicators at various activity levels to measure progress in achieving these objectives. In addition to comparing Canadian GHG emissions to the level required by the Kyoto Protocol, it compares the Canadian emissions to GDP ratio to that of other countries. NRCan also monitors trends in the use of renewable energy and in energy efficiency.

The department has made progress over the last two years in helping to reduce GHG emissions in many areas. From its strong research base, it was able to promote new technologies that optimize energy use in industrial plants, implement advanced combustion technologies in power production, and develop high-performance concretes in which up to 60% of Portland cement (the production of which emits substantial amounts of GHGs) is replaced by other materials, including industrial waste products. These accomplishments have reduced carbon dioxide emissions by over 120,000 tonnes, with the potential for greater reduction in the future. Other NRCan efforts are having similar positive results.

In the years to come, NRCan intends to help Canadians reduce GHG emissions even further by improving, for example, generation efficiencies in power production through new technologies. NRCan envisages an investment of $8 million annually to reduce GHG emissions in power production by 3% in 5 years, and increase renewable energy contribution to electricity generation to 30% in ten years' time.

ORGANIZATION: ENVIRONMENT CANADA

STRATEGIC OUTCOME: PROTECT CANADIANS AND THEIR ENVIRONMENT FROM DOMESTIC AND GLOBAL SOURCES OF POLLUTION

Environment Canada also works to reduce varying types of pollution in our environment through its strategic outcome: "Protect Canadians and their environment from domestic and global sources of pollution."

The Department uses a range of tools to protect the environment, including regulations, guidelines, codes of practice, economic instruments, challenge programs, and educational campaigns. Feedback from international environmental agencies shows that Canada is at the forefront with respect to voluntary programs and innovative management approaches that complement traditional regulatory activity.

One such innovative initiative designed to influence the environmental behaviours of industry is the Enviroclub program. This program is delivered through a horizontal partnership between Environment Canada, Export Development Canada, National Research Council Canada, and the Climate Change Action Fund. Based in Quebec, the program seeks to encourage small and mid-sized manufacturing firms (SME) to voluntarily reduce harmful emissions and reduce their reliance on natural resources. The initiative has two components: in-plant execution of viable pollution prevention projects and raising awareness of eco-efficiency.

For the 18 participating SMEs, Enviroclub produced real environmental and economic benefits as measured and estimated by comparing prototype and conventional production processes. Environmental results include the annual reduction of the following:

- 24,000 tonnes of greenhouse gases (equivalent to the average annual operation of 5,000 cars);
- 508 tonnes of hazardous wastes (including such toxic substances as organic sludge and solvents);
- 1,000 cubic metres of wood (equivalent to 10,000 trees); and
- 1,300 litres of petroleum products and 33,000 cubic metres of natural gas.

In addition to the environmental benefit to society, the participating companies, in total, are expected to benefit economically in the amount of $1.5 million a year.

Following is a list of some of the other departments and agencies that have strategic outcomes related to the Canadian environment. Further information on these strategic outcomes is available via hyperlinks in the electronic version of this report. Clicking on the departments and agencies listed below will lead the reader to the Government of Canada's "Strategic Outcomes Database" (http://www.tbs-sct.gc.ca/rma/krc/cp-rc_e.asp). This database provides information (and links for further references) on planned activities and expenditures, results evidence, relevant audits and evaluations, and program background for the government's more than 200 strategic outcomes.

In addition to the departments listed below, there are certain federal organizations that provide support to all departments and agencies such as the Treasury Board of Canada Secretariat, the Public Service Commission of Canada, Statistics Canada, and Public Works and Government

Services Canada. Information on the performance and plans of these organizations is also available at the Strategic Outcomes Database Web site.

In the table below, departments have been clustered into several "horizontal areas;" these are areas in which several departments and agencies are working toward a common goal.

This tentative clustering of departmental efforts will facilitate horizontal or whole-of-government thinking. It will help to identify common leverage points by which different federal organizations can plan strategies and monitor success in their efforts to improve the Canadian environment.

HORIZONTAL AREA	FEDERAL DEPARTMENT OR AGENCY
Canadian biodiversity is conserved	Environment Canada Fisheries and Oceans Canada National Battlefields Commission National Round Table on the Environment and the Economy Parks Canada Transport Canada
A pollution-free environment	Agriculture and Agri-Food Canada Environment Canada Fisheries and Oceans Canada National Defence Transport Canada
Sound environmental decisions	Canadian Environmental Assessment Agency Canadian International Development Agency Canadian Space Agency Department of Foreign Affairs and International Trade Environment Canada Fisheries and Oceans Canada Indian and Northern Affairs Canada and Canadian Polar Commission National Round Table on the Environment and the Economy
Sustainable natural resources	Environment Canada Fisheries and Oceans Canada Natural Resources Canada

THE STRENGTH AND SAFETY OF CANADIAN COMMUNITIES

THE ISSUE

Volunteerism	Attitudes toward diversity	Participation in cultural activities	Political participation	Safety and security
⇩	—	⇩	⇩	⇧

Ideally, communities are unified bodies of individuals with mutual interests, linked by a common history, by social, economic and political ties, and by a sense of shared destiny. At a global level, Canada as a whole participates in and contributes to the world community of nations.

The events of September 11, 2001, clearly demonstrated that a safe and secure Canada depends on an international system that is capable of resolving conflicts in a consensual manner, as well as on a domestic and international capacity to combat international criminal and terrorist activity.

Within Canada, communities are formed around diverse axes — geographical, cultural, religious, linguistic and many others — and it is in these smaller communities and neighbourhoods that the abstract idea of quality of life takes on real meaning. Strong communities can be described as ones that are safe, encourage participation, strengthen social bonds, and promote Canadian values.

The Government of Canada supports the quality of life in communities by aiding and facilitating international peace and development, by strengthening the social fabric, and by reflecting and reinforcing values that are important to Canada. These values include linguistic duality; multiculturalism and respect for diversity; human and civil rights; equality and fairness, including equal access to essential public services, such as health care; and respect for peace and the rule of law.

This chapter examines the strength and safety of Canada's communities by looking at five indicators of social relationships:

- **Volunteerism** and civic participation are fundamental acts of citizenship essential to the well-being of a caring society. Studies such as the *National Survey of Giving, Volunteering and Participation* have shown a positive correlation between volunteering and other forms of participatory behaviour such as philanthropy, group membership and voting. In this way, volunteering can be seen as one way to track the involvement and investment of Canadians in their society.

- **Attitudes toward diversity** serve as a bellwether for the health of Canada's communities since the acceptance and understanding of differences among groups is an important component of our identity as a nation. Canada is one of the most ethnically diverse countries in the world. With increasing globalization and immigration, Canadians are brought face to face with more diversity than ever before.

- **Participation in cultural activities** serves to broaden people's experiences by exposing them to their social, cultural, and historical surroundings, introducing new and different ideas, and encouraging greater understanding across social and cultural groups. High rates of cultural participation fuel creativity and innovation and promote social harmony.

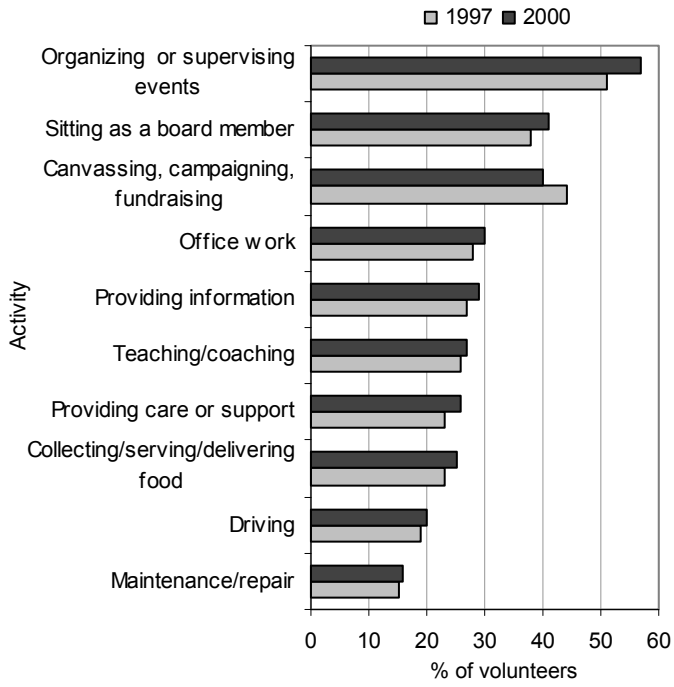
- **The level of political participation** provides insight into the degree to which decisions reflect, or are perceived to reflect, the needs and desires of Canadians. Canada's political system is grounded in participation; taking part in the electoral system strengthens people's connections with the democratic decision-making process and demonstrates concern for the future development of the community and country.

- The **safety and security** of a community is an indicator of the wellness of that community. This can be gauged by crime and victimization rates as well as by the level of fear of crime in a neighbourhood. Such fear can have the debilitating effect of restricting individuals from fully participating in public life and thus can reduce one's quality of life.

WHAT WE KNOW

Volunteerism fosters community integration and cohesion by encouraging friends, colleagues, and neighbours to work together on matters of common interest or concern. The voluntary sector is considered to be the third pillar of Canadian society alongside the public and private sectors, and relies on Canadians who volunteer their time and make charitable donations.

Types of volunteer activities, Canadian volunteers aged 15 and older, 1997 and 2000



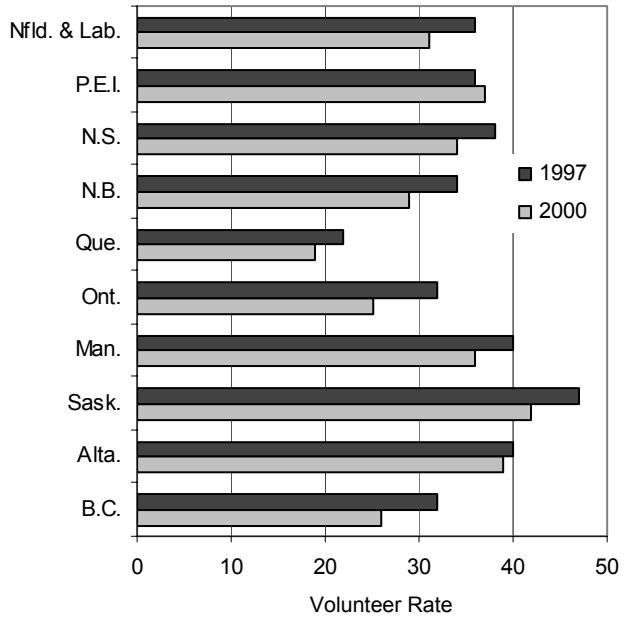
Source: The 2000 National Survey of Giving, Volunteering and Participating, Statistics Canada, 2001

In 2000, 27% of Canadians volunteered 1.05 billion hours of work in Canada, equivalent to 549,000 year-round full-time jobs.[3] This represents a decrease of 13% from 1997; however, the trend of a small minority accounting for the majority of hours held true. In 2000, the top 25% of volunteers (7% of Canadians) contributed 73% of all volunteer hours. There is a risk of burnout for this core group as the number of volunteers falls and demand for the services of this sector rises.

[3] All statistical data from *The 2000 National Survey of Giving, Volunteering and Participating*, 2001.

Canadians also support the voluntary sector with their financial contributions. In 2000, 78% of Canadians contributed approximately $5 billion, an increase in donations of 11% from 1997. The top 25% of donors contributed 82% of all donations in 2000, giving $213 or more per donor. It should be noted, however, that while average donations increase with higher incomes, Canadians with incomes below $40,000 donate a substantially higher percentage of average income than others.

Volunteer participation rates by province, Canadians aged 15 and older, 1997 and 2000



Source: The 2000 National Survey of Giving, Volunteering and Participating, Statistics Canada, 2001

The organizations that benefited from the greatest number of volunteer hours were in the areas of culture, arts, and recreation and social service. Religious and health organizations, on the other hand, received most of the financial contributions. Religious organizations received almost 50% of the total amount donated in 2000 and the third highest number of volunteer hours, indicating that Canadian support for religious institutions remains strong.

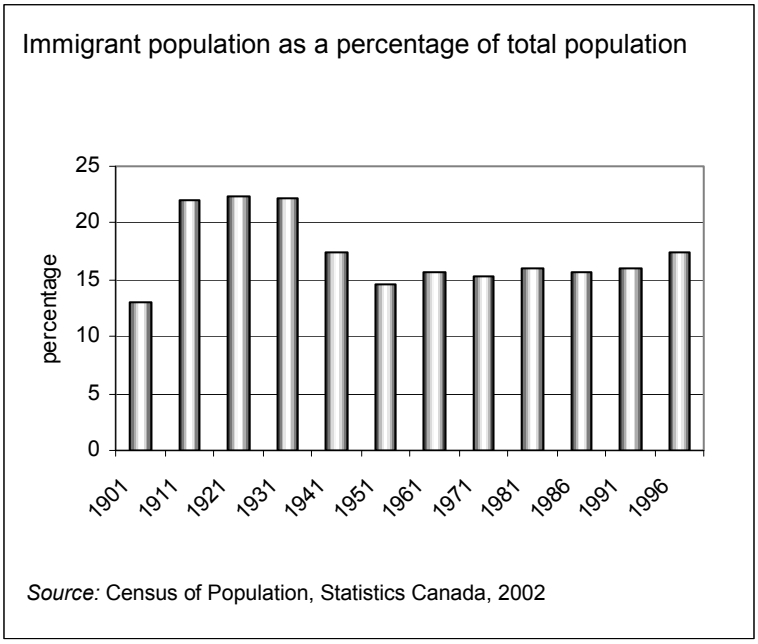
Participation in volunteer activities varies substantially from province to province. The volunteer rate was highest in Saskatchewan and lowest in Quebec.

Volunteering among young people is particularly important. According to recent research findings, involvement in volunteering or other extra-curricular activities during the formative years is likely to translate into community involvement later in life. People who have seen their parents volunteering are also more likely to become volunteers.

In 2000, the federal government, in partnership with the voluntary sector, launched a voluntary sector initiative (VSI). With an investment of $100 million, this initiative aims to improve the capacity of the voluntary sector and to promote volunteerism among Canadians.

Attitudes toward diversity can be used to measure the strength of the social bonds in our communities. Our country's ethnic and cultural make-up has become increasingly more diverse over the past 40 years. Canadian society is enriched by its linguistic duality, by its acceptance of various ethnic groups and by positive social interaction between people of all backgrounds.

The year 2001 marked the 30th anniversary of the adoption of a *Multiculturalism Policy* in Canada, which aims to contribute to social cohesion by creating a climate of trust in which the multicultural heritage of Canadians is preserved as a richness we have in common. Canadians overwhelmingly support multiculturalism. Opinion polls conducted by Ipsos Reid in 1999 showed that more than 83% of Canadians agreed that "the multicultural make-up is one of the best things about Canada." (Canadian Heritage, *Annual Report on the Operation of the* Canadian Multiculturalism Act*, 1999–2000*).



Canada's economic, social and cultural development has been shaped by immigration, and, given our low current fertility rate, immigration will be crucial to satisfying the skills demands of the future. By 2005, immigration is expected to account for 70% of labour market growth, and visible minorities are expected to increase to 15% of the Canadian population.

According to the findings of a 2002 national survey released by the Centre for Research and Information on Canada (CRIC), Canadians continue to be genuinely concerned about racism and discrimination, but are more optimistic about reducing prejudice in the future:

- In fact, 59% of Canadians feel that racism is a big problem in Canada; and
- 72% of Canadians believe that prejudice against ethnic and racial minorities will decline over the next 10 years, a seven-point increase from 2000 and a 10-point increase from 1990.

Canadians have also shown consistent support for the protection of minority rights in the *Canadian Charter of Rights and Freedoms*. In the CRIC survey, only 11% of respondents felt that the Charter "goes too far" to protect minority rights.

In addition, Canadians have demonstrated a positive attitude towards institutional recognition of Aboriginal communities. Approximately two-thirds of non-aboriginal Canadians support some form of self-government for Aboriginal peoples. (Ipsos-Reid "Public Views Regarding Aboriginal People," 2002)

Participation in cultural activities strengthens social cohesion and establishes a common ground between generations and cultures. It also creates and preserves cultural heritage, which provides community identity, distinctiveness and collective pride.

Some of the trends in cultural participation are as follows:

- From 1992 to 1998, there was a decline in the proportion of the Canadian population aged 15 and over who read newspapers, magazines and books, or borrowed library materials. (*Patterns in Culture Consumption and Participation*, Culture Statistics Program, Statistics Canada, 2000)

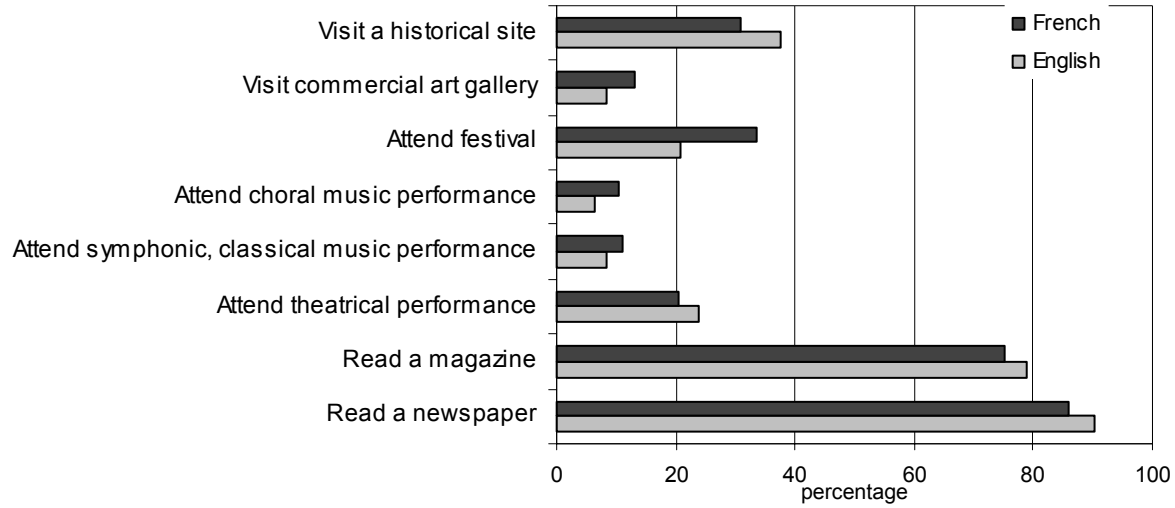
- The percentage of the population attending various performing arts, such as classical music and performances of live theatre, also declined between 1992 and 1998. However, participation in cultural or heritage festivals and other events has increased (Ibid).

- After four decades of decline, movie-going rebounded in the 1990s with a 60% increase by the end of the decade. By 2000, attendance reached 120 million, the highest level in 40 years. (*The Daily*, February 7, 2002, Statistics Canada)

- Pay TV and specialty services are growing at the expense of conventional cable television, which has seen its market share drop from over 99% in 1982 to 65% in 2000. On the other hand, Canadians currently listen to approximately the same number of hours of radio as in 1986: 20 hours per week. (*The Daily*, October 23, 2001, Statistics Canada)

- The Internet has emerged as an important new tool to engage Canadians in cultural activities. A study in 2001 showed that 59% of Canadian households have access to the Internet and that a majority of users relied on this medium to find information on Canada's history and culture. ("Rethinking the Information Highway," Ekos Research Associates, 2002)

Participation rates in cultural activities by home language, Canada, 1998



Source: Focus on Culture, Vol. 13, No. 3, 2002, Statistics Canada

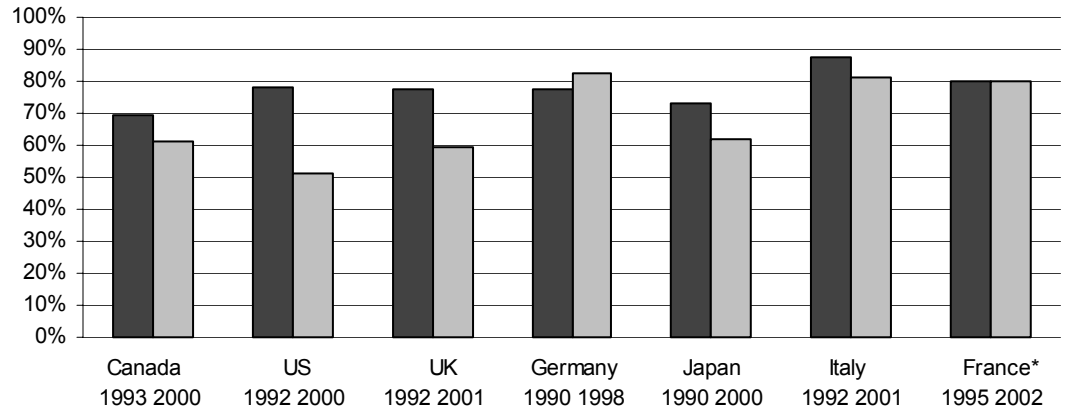
The patterns of cultural participation of Canadians varied slightly according to their home language. English-speaking Canadians are slightly more likely to be readers, to visit heritage institutions, historic sites, conservation areas, and nature parks. On the other hand, French-speaking Canadians are more likely to attend festivals, performances of classical music, or symphonies.

Sporting activities are an important part of Canadian society. In 1998, 34% of the Canadian population aged 15 and over participated in sports on a regular basis, down from 45% in 1992. Men participated more than women in 1998, with rates of 43% and 26% respectively. On the other hand, 32% of Canadians watched amateur sporting events in 1998, up from 24% in 1992. Sports participation is related to age, income, and level of education.

Political participation is one measure of a democracy's health. A citizen who participates in the democratic political process demonstrates a concern for the future development of the community. Voting is a primary means by which citizens participate in the political sphere, and is a key indicator of political engagement. In the last half-century, Canadian voter turnout rates in federal elections have fluctuated between a high of 80.6% in 1958 and a low of 61.2% in 2000. In the 1990s, the turnout rates have been the lowest for any decade in this period, leading to concerns about the level of engagement of citizens in the political process. In the US, voter turnout has declined in a similar manner, from 78% in 1992 to 59% in 2000. In fact, this trend has been observed in many industrialized countries.

Research indicates that voter turnout rates are lower among young Canadians, recent immigrants and persons with a lower income; rates are higher among seniors, university graduates, and people who identify with a political party.

Voter turnout in national elections, G-7 countries



* Conseil constitutionel, France, 2002
Source: *Voter Turnout*, International Institute for Democracy and Electoral Assistance, 2001

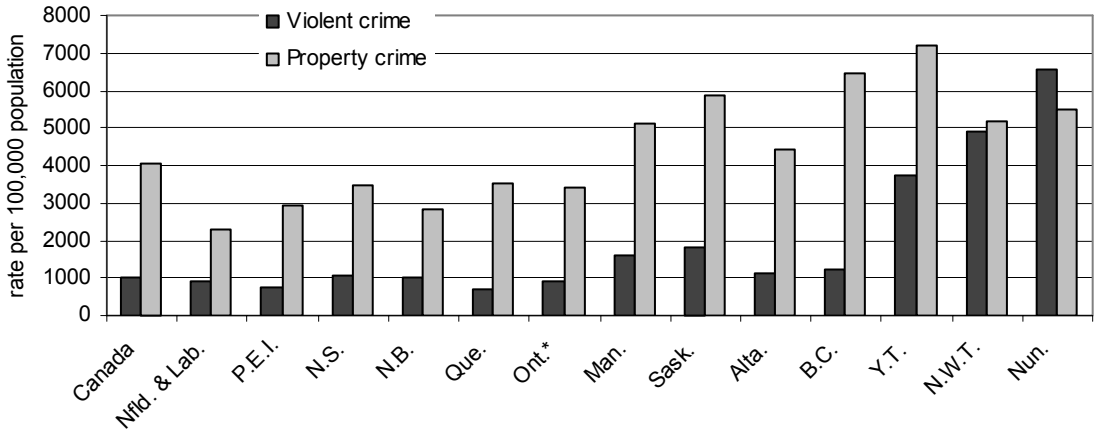
The **safety and security** of communities and neighbourhoods are fundamental to the enjoyment of a high quality of life. One important measure of safe and secure communities is their vulnerability to crime. Canadian communities are affected by international crimes, such as terrorism and organized crime, by local violent and property crimes, and by other types of crime, such as prostitution and drug-related crimes.

Safety and security can be measured in a number of ways, such as the following:

- the level of crime: these are crimes reported to the police;
- the level of victimization: these are experiences of victimization identified by respondents in sample population surveys; and
- the level of fear of crime in a neighbourhood.

In 2001, there were 2.4 million crimes reported to the police, 13% of which were violent crimes, 53% property crimes, and 34% other crimes. The overall crime rate edged up marginally in 2001, after declining for nine consecutive years. At the current level of 995 reported crimes per 100,000 Canadians, the violent crime rate is now 8% lower than in 1992, but 52% higher than the rate 20 years ago. In contrast, property crimes are at a 30-year low.

Crime incidence by offence category, Canada, rates by province and territory, 2001



* Ontario Provincial Police data for 2001 were not available; 2000 data have been substituted.
Source: Crime Rates Table, Statistics Canada, 2002

In 2000, the International Crime Victimization Survey (ICVS) indicated a victimization rate in Canada of 54%. This means that more than half of Canadians aged 16 and above experienced criminal victimization one or more times between 1996 and 2000. This rate is slightly lower than the 57% recorded for the period from 1991 to 1995. According to this survey, approximately half of all crimes were not reported to the police in 2000 — the same level as in 1990.

It appears that the decreases in the crime rate over the last decade are becoming visible to Canadians. According to the ICVS survey of 2000, 83% of Canadian respondents indicated feeling safe walking alone after dark in their neighbourhoods, up from 74% in the 1996 survey. This puts Canada tied with the United States among the 13 industrialized countries in this survey. Canada ranks only slightly behind the highest scoring country, Sweden, where 85% of respondents felt safe walking alone after dark in their neighbourhoods.

While Canadians indicated feeling safer in their neighbourhoods, there is, understandably, a growing concern about threats to Canadian society from external sources. In a poll conducted a few weeks after the September 11th terrorist attack, 74% of Canadians felt that the world was less safe today than it was a decade ago. Furthermore, between 1998 and 2001, more Canadians felt concerned about terrorism (from 45% in 1998 to 81% in 2001); the spread of biological and chemical weapons (from 61% to 74%); the spread of nuclear weapons (from 59% to 69%); illegal drugs entering Canada (from 66% to 68%); and international crime (from 48% to 64%). (*Canadians' Opinions on the Canadian Forces (CF) and Related Military Issues*, conducted by Pollara for the Department of National Defence, 1998 to 2001)

PARTICIPATION IN THE WORLD

Our participation in the world indicates the strength of our national identity and the value we place on being modern global citizens. Canada has a proud history as a nation that is active on the international stage, supporting international development, conflict resolution and avoidance, and world peace.

Recently, Canada took a leadership role in the International Campaign to Ban Landmines (ICBL). As a result of the ICBL, there was a dramatic drop in worldwide landmine production in 2001, and more than 27 million mines in 50 countries were destroyed. Most importantly, there are now fewer victims of landmines. In 2001, Canada also contributed over 4,500 personnel to 21 international peace support and coalition operations including Afghanistan, Bosnia, Ethiopia and Eritrea.

Also in 2001, Canada contributed approximately $2.4 billion in aid to developing countries, most of which went to supplying basic needs or supporting human rights, democracy and good governance. This means that Canada ranked 18th among OECD countries in terms of the percentage of Gross National Product (GNP) spent on official development assistance (ODA). The aid Canada gave represents 0.23% of our GNP compared with 0.49% of GNP in 1991, both of which are lower than the 0.7% recommended by the United Nations. Recently, however, the government announced that it will double Canadian aid by 2010.

PERFORMANCE INFORMATION

Many federal organizations are working to improve the strength and safety of Canadian communities. To do so, these organizations plan, monitor, and report on their programs, policies, and initiatives in accordance with broad "strategic outcomes."

Strategic outcomes are the enduring benefits to Canadians that departments and agencies attempt to achieve. These outcomes flow from the mandates of federal organizations and contribute to broad, government-wide priorities. In most cases, strategic outcomes require the combined resources and sustained effort of several partners over a long period of time.

Federal organizations report on their strategic outcomes in two sets of documents tabled annually in Parliament. In their Reports on Plans and Priorities (RPPs), departments and agencies provide information on objectives, initiatives and planned results — including links to related resource requirements. In their Departmental Performance Reports (DPRs), departments and agencies describe the accomplishments achieved against the performance expectations set out in the RPPs.

Correctional Service Canada is one example of a federal agency, which is contributing to the government-wide attempt to improve the strength and safety of Canadian communities.

ORGANIZATION: CORRECTIONAL SERVICE CANADA

STRATEGIC OUTCOME: OFFENDERS WHO ARE SAFELY AND EFFECTIVELY REINTEGRATED

The Correctional Service of Canada (CSC) is the federal government agency that administers sentences of offenders who are sentenced by the courts to two years of incarceration or more. CSC, along with their other partners in the criminal justice system, contributes to the public safety of Canadians. CSC focusses on providing long-term and enduring benefits to Canadians by ensuring that offenders are well prepared for safe and successful reintegration in the community.

CSC uses a number of different indicators to monitor its performance at contributing to public safety.

- From 1994–95 to 1999–2000, the rate of violent offences per 1,000 offenders supervised in the community by CSC has been reduced from 40 to 26, a 35% reduction.
- In 2000–01, almost all offenders who had been granted temporary absences from institutions successfully completed over 99.8% of these absences — i.e., offenders did not commit a new offence, nor did they break any of the conditions attached to their release.

CSC is constantly refining its correctional programs to help offenders reduce the risk they pose and increase their potential to become law-abiding citizens. In addition, CSC will continue to demonstrate leadership in working with partners and the community to reduce the incarceration rate of Aboriginal people.

Following is a list of some of the other departments and agencies that have strategic outcomes related to the safety and security of Canadian communities. Further information on these strategic outcomes is available via hyperlinks in the electronic version of this report. Clicking on the departments and agencies listed below will lead the reader to the Government of Canada's "Strategic Outcomes Database" (http://www.tbs-sct.gc.ca/rma/krc/cp-rc_e.asp). This database provides information (and links for further references) on planned activities and expenditures, results evidence, relevant audits and evaluations, and program background for the government's more than 200 strategic outcomes.

In addition to the departments listed below, there are certain federal organizations that provide support to all departments and agencies such as the Treasury Board of Canada Secretariat, the Public Service Commission of Canada, Statistics Canada, and Public Works and Government Services Canada. Information on the performance and plans of these organizations is also available at the Strategic Outcomes Database Web site.

In the table below, departments have been clustered into several "horizontal areas;" these are areas in which several departments and agencies are working toward a common goal.

This tentative clustering of departmental efforts will facilitate horizontal or whole-of-government thinking. It will help to identify common leverage points by which different federal organizations can plan strategies and monitor success in their efforts to improve the strength and safety of Canadian communities.

HORIZONTAL AREA	FEDERAL DEPARTMENT OR AGENCY
Security from organized criminal and terrorist threats	Canada Customs and Revenue Agency Department of Foreign Affairs and International Trade Department of Justice Canada Financial Transactions and Reports Analysis Centre of Canada National Defence Royal Canadian Mounted Police Security Intelligence Review Committee Solicitor General Canada Transport Canada
Safe communities	Canada Customs and Revenue Agency Citizenship and Immigration Canada Correctional Service Canada Department of Justice Canada National Defence National Parole Board Royal Canadian Mounted Police Solicitor General Canada
Canadian culture and heritage are preserved and internationally recognized	Canadian Heritage Canadian Radio-television and Telecommunications Commission Millennium Bureau of Canada National Archives of Canada National Battlefields Commission National Defence National Film Board National Library of Canada Parks Canada Public Works and Government Services Canada Royal Canadian Mounted Police Veterans Affairs Canada
Diversity as a fundamental Canadian value	Canadian Heritage Citizenship and Immigration Canada Immigration and Refugee Board Office of the Commissioner of Official Languages
A fair Canadian justice system	Correctional Service Canada Department of Justice Canada Law Commission of Canada

HORIZONTAL AREA	FEDERAL DEPARTMENT OR AGENCY
	National Parole Board
	Office of the Correctional Investigator
A vibrant civic society	Canadian Heritage
	Canadian Radio-television and Telecommunications Commission
	Commission for Public Complaints Against the Royal Canadian Mounted Police
	Communication Canada
	Department of Justice Canada
	Military Police Complaints Commission
	Office of the Chief Electoral Officer
	Offices of the Information and Privacy Commissioners
	Solicitor General Canada
	Tax Court of Canada
A society that upholds human rights and equality as fundamental principles	Canadian Human Rights Commission
	National Parole Board
	Status of Women Canada
	Veterans Affairs Canada
Strong and self-sufficient First Nation, Inuit, and Northern Communities	Department of Justice Canada
	Fisheries and Oceans Canada
	Health Canada
	Indian and Northern Affairs Canada and Canadian Polar Commission
	Office of Indian Residential Schools Resolution of Canada
	Privy Council Office
	Solicitor General Canada
	Royal Canadian Mounted Police
A visible presence in the international community	Canadian International Development Agency
	Canadian Space Agency
	Department of Foreign Affairs and International Trade
	National Defence
	Royal Canadian Mounted Police

CONCLUSION

This is a report on our quality of life and where we stand in comparison with other post-industrial nations. This information will help parliamentarians and Canadians to put the performance of federal government organizations into context.

In general, the performance information in this report indicates that Canada is doing well with respect to health; improvements are particularly noticeable in the area of life expectancy and infant mortality. While Canada's economy has shown strong performance, especially in the area of employment, the results indicate that not all members of our society are reaping the benefits of our strong economic performance. In addition, while some progress has been made in neighbourhood safety, other indicators point to a less involved civic society. Finally, some of Canada's environmental indicators continue to be a cause for concern.

The Government of Canada is working to ensure that we continue to perform well in those areas where we have been a strong achiever, while working to address those areas where we need to improve. Since the federal government is only one of many players taking actions that influence these broad social and economic outcomes, it is committed to working in partnership toward common goals.

This partnership means that our common goals, and the means by which those goals should be achieved, must be defined together. Every province and territory, every community and citizen, has a strong voice in building the country and improving quality of life. By informing Canadians about the country's social and economic situation — as well as about some of the public policy issues raised by this situation — this report will allow Canadians to be more fully engaged in this public policy dialogue.

Canada's Performance 2002 has received direction through various forms of engagement, such as consultations, focus groups, and surveys. Future reports will continue to be influenced in this way. For this purpose, we need your feedback. You can use the contact information provided at the front of the report to get in touch with us. Your contribution will help make *Canada's Performance* better and will ensure that the report is relevant to Canadians.

APPENDIX I: ADDITIONAL RESOURCES

GENERAL

Canadian Policy Research Networks. *Quality of Life in Canada: A Citizens' Report Card*, CPRN, 2002.

Earth Summit 2002 Canadian Secretariat. *Sustainable Development: A Canadian Perspective*, 2002.

Statistics Canada. *Canada at a Glance.* Ottawa: Minister of Industry, 2002.

The Conference Board of Canada. *Performance and Potential 2002–03,* 2002.

Organization for Economic Co-Operation and Development. OE*CD in Figures.* Paris: OECD, 2001.

ECONOMIC OPPORTUNITIES AND INNOVATION IN CANADA

Human Resources Development Canada. *Knowledge Matters: Skills and Learning for Canadians*. Ottawa: Government of Canada, 2001.

Industry Canada. *Achieving Excellence: Investing in People, Knowledge and Opportunity*. Ottawa: Government of Canada, 2001.

Statistics Canada. Perspective on Labour and Income (monthly Internet publication).

World Economic Forum. *The Global Competitiveness Report 2001-2002*. Oxford: Oxford University Press, 2002.

THE HEALTH OF CANADIANS

Canadian Institute for Health Information & Statistics Canada Health Indicators. "Canadian Community Health Survey: Health Region Level Highlights" vol. 2002, No. 1.

The Government of Canada. *Healthy Canadians: A Federal Report on Comparable Health Indicators*, 2002.

Organization for Economic Co-Operation and Development. *Health at a Glance*, Paris: OECD, 2001.

World Health Organization. *The World Health Report 2001; Mental Health: New Understanding, New Hope*. Geneva: WHO, 2001.

THE CANADIAN ENVIRONMENT

Canadian Endangered Species Conservation Council (CESCC). *Wild Species 2000: The General Status of Species in Canada.* Ottawa: Minister of Public Works and Government Services Canada, 2001.

Environment Canada. State of the Environment Reporting Program National Indicators and Assessment Office. *Canada's National Environmental Indicator Series 10 Years of Reporting*, 2002.

Organization for Economic Co-Operation and Development. *OECD Environmental Indicators: Towards Sustainable Development 2001*, Paris: OECD, 2001.

United Nations Environment Programme. *North America's Environment*, 2002.

THE STRENGTH AND SAFETY OF CANADIAN COMMUNITIES

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APPENDIX II: EXTERNAL ADVISORY PANEL

The External Advisory Panel, chaired by the Secretary of the Treasury Board, provides advice on the preparation of the President of the Treasury Board's annual report *Canada's Performance*.

The panel, which generally meets two to three times per year in Ottawa, is comprised of academics, provincial representatives, and other stakeholders.

Dr. Paul Bernard
Professor of Sociology
Université de Montréal

Mr. William Blundell
Chairman
Public Sector Pension Investment Board

Mr. Jean-Pierre Boisclair
President
CCAF-FCVI Inc.

Ms. Janice Charette
Deputy Secretary to the Cabinet
Privy Council Office

Dr. Ian Davies
Capacity Development Network
University of Victoria

Dr. Ivan Fellegi
Chief Statistician of Canada
Statistics Canada

Mr. Ian Glen
Chairman
National Parole Board

Mrs. Judith Maxwell
President
Canadian Policy Research Networks

Mr. David McGuinty
President and CEO
National Round Table on the Environment and the Economy

Mr. Dennis Pilkey
Director, Statistics
Department of Finance
Government of Nova Scotia

Dr. David Zussman
President
Public Policy Forum

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