

**Canada's Country Report 2005**

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Administration**

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# 1. Introduction: Dropping the ‘e’ from e-Government

Since 1999, the Government of Canada has been steadily expanding the range of on-line services available to its citizens, businesses and international clients. This effort began with Canada’s Government On-Line initiative, which helped departments and agencies to accelerate the on-line availability of the most commonly used federal services, and the Service Improvement Initiative, which emphasized the need to continuously improve the service experience for clients. Now, we are moving to the next phase – service transformation – changing the way we deliver services on-line, by phone, by mail or in-person. In essence, we have dropped the “e” from e-government to focus on transforming and integrating service delivery across *all* channels, in order to better meet the needs of citizens and clients,<sup>1</sup> produce operational efficiencies, and enhance policy and program outcomes.

In the 21<sup>st</sup> century, Canadian citizens and businesses expect government to function as a single, cohesive entity. They are no longer prepared to negotiate a myriad of disconnected bureaucratic structures to get their needs met or to comply with government requirements. To meet this growing demand for “seamless” service, the Government of Canada has embarked on an ambitious effort to reconstruct the way it delivers programs and services, to streamline and standardize business processes, and to rationalize the underlying networks and infrastructures that support government operations.

In a country like Canada, where constitutional powers and program responsibilities are shared among different levels of government, real opportunities for cost savings and improved client service will also come from collaboration across federal, provincial, territorial and municipal governments. Canadian governments are aware of the enormous potential to enhance service quality and efficiency through inter-jurisdictional collaboration in research, sharing best practices, standards development and re-use of infrastructures. For this reason, the federal government is evaluating opportunities to leverage initiatives such as Service Canada and its provincial equivalents, and is participating in the establishment of inter-jurisdictional priorities for collaboration.

## 2. Structure of Governments within Canada

Canada is the second largest country on earth with an area of 9,970,610 square kilometres spanning six time zones. We are a multi-cultural nation with two official languages: English and French. The vast majority, 77 % of our 31 million people, live in cities and towns. We have three levels of government: one federal, 10 provincial, three territorial and more than 5000 municipal administrations. The population of our largest city, Toronto, is 37 times greater than that of our smallest province, Prince Edward Island.

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<sup>1</sup> The term *citizen* is used here to refer to individuals, while *client* refers to both individuals and businesses.

Canada became a self-governing nation in 1867, but remains a constitutional monarchy and member of the British Commonwealth. It is a federation in which federal, provincial, and territorial authorities share the work of government in a way that respects the special interests and characteristics of the country's various regions and cultural/linguistic communities. The federal government, with a budget of \$193 billion in 2003/04 is responsible for most issues and concerns which are 'national' in scope or which cross international or provincial borders. Federal jurisdiction extends to areas such as foreign affairs and defence, monetary policy and banking regulation, old age security, international trade, fisheries, criminal law, and postal services. The federal government is composed of 126 departments, agencies, and Crown corporations that together deliver more than 1,600 programs and services. The federal Public Service has 284,025 members<sup>2</sup> including 16,000 professionals in IT.

Canada's provinces and territories have jurisdiction over matters of regional concern including health care, education, social services, natural resources, and civil law. Municipal governments, through various cost-sharing arrangements, administer many powers that formally rest with the provinces, such as police and fire protection, water and sewers, some social services, and urban transportation. Under similar arrangements, locally elected school boards typically manage primary and secondary education. In 2003/04, the expenditures of Canada's provincial and municipal governments were nearly \$310 billion.

The Constitution Act of 1867 prescribes the division of federal and provincial powers. However, in today's more complex world, responsibilities cannot always be neatly divided. Therefore, there are a number of policy areas in which the federal, provincial, and territorial governments have agreed to share authority. These include health care, post-secondary education, labour force development, environmental protection, tax collection, financial regulation, agriculture, and immigration.

Since 1995, the federal government has been negotiating practical arrangements with many of Canada's First Nations to make Aboriginal self-government a reality. Over time, Aboriginal groups will acquire the power to shape their own forms of government to suit their particular historical, cultural, political, and economic circumstances.

### **3. Canada's Strategic Approach: Service Transformation**

Over the past five years, the Government of Canada's Government On-Line (GOL) and Service Improvement initiatives have encouraged departments sharing common clients to collaborate, and have made programs and services easier to find – particularly on-line. As a result of these initiatives, 130 of the government's most commonly used services are now available over the Internet, waiting times are down, telephone access to services has improved, and service delivery networks are more interoperable.

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<sup>2</sup> This number includes employees subject to Schedule I, Parts I and II of the Public Service Staff Relations Act (PSSRA) and members of the Royal Canadian Mounted Police (RCMP). It does not include members of the Canadian Forces.

Furthermore, citizen's satisfaction with the service they receive from government is steadily improving: the percentage of Canadians reporting they are satisfied with their most recent service experience with the federal government has increased from 60% in 1998 to 64% in 2002.<sup>3</sup> While the results of the most recent survey have not yet been released, it would appear that the Government of Canada is on-track to meet its objective of a 10% improvement in overall citizen satisfaction by the end of 2005.

Canada's sustained effort to simplify its on-line presence and provide more integrated and responsive services across all channels – Internet, telephone, and in-person – have made this country an internationally acknowledged leader in public sector service delivery. In 2005, *Accenture* once again recognised the importance of this multi-channel approach by awarding Canada first place in its annual survey<sup>4</sup> of the international e-Government landscape for the fifth year in a row.

While GOL and the Service Improvement Initiative have been an inspired beginning for service transformation in Canada, both these initiatives will “sunset” at the end of 2005. Leveraging the experience and progress we have gained over the past five years will provide a firm foundation as we strive to meet the emerging challenges of serving citizens, businesses and international clients in the 21<sup>st</sup> century.

We know there is a great deal of work still to be done. There remain too many instances where:

- Processes are too complicated and time-consuming;
- Services are not being delivered in an integrated fashion;
- Transaction costs are too high;
- Compliance with government regulations is a significant administrative burden; and
- Related programs do not work together effectively to achieve policy outcomes.

At the same time, we believe that Canadians will receive the highest value from their public services as individuals and business clients, citizens and taxpayers – through a government that:

- Anticipates and responds to the needs and expectations of Canadians, businesses and international clients;
- Values high-quality service and demonstrates transparency and accountability;
- Ensures services are cost-effective, efficient and sustainable; and
- Designs effective services that ensure program integrity and the achievement of policy outcomes.

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<sup>3</sup>*Citizens First 1998. Citizens First 2002.* For additional information about the *Citizens First* surveys, please refer to the following website: <http://www.iccs-isac.org/eng/cf-about.htm>

<sup>4</sup>“Leadership in Customer Service: New Expectations, New Experiences.” The Government Executive Series. Accenture. April 2005. For an electronic version of this document, please refer to the following website: [http://www.accenture.com/xdoc/ca/locations/canada/insights/studies/leadership\\_cust.pdf](http://www.accenture.com/xdoc/ca/locations/canada/insights/studies/leadership_cust.pdf)

As a result of GOL, Canada has been very successful in establishing a wide range of user-friendly on-line services. However, our “back office” processes and structures remain largely untouched and disjointed. To resolve this issue and meet our commitment to create “next generation public services” – public services that offer maximum value to citizens, clients and taxpayers – the Government of Canada is undertaking a fundamental transformation of service delivery.

The Government of Canada recognises service transformation and “next generation public services” are about getting the right programs, services, knowledge and information to the right people and organizations at the right time, at a fair cost to taxpayers. We are pursuing this vision through initiatives that will fundamentally transform the design and delivery of public services, as well as the underlying internal administrative and IT infrastructure supporting government operations.

This process of “service transformation” is a key part of the Government of Canada’s broad agenda to modernize management in the public sector, and the scope of our plans to reshape program and service delivery can be seen in two major initiatives:

- To improve services to Canadians, a new organization, **Service Canada**, will bring federal services and benefits together in a way that is tailored to the needs of individuals. Service Canada will provide one-stop convenient access to integrated services across delivery channels – phone, Internet, in-person and mail. It responds to what Canadians want in terms of their service experience with government:
- To make the government’s internal operations more efficient and effective, **a shared services approach for internal administrative and IT services** is being planned, with an initial focus on human resources, financial and materiel management services, and distributed computing / desk top and data centre services.

Transformation will be driven by GOL’s client-centric approach, but also an enterprise, or “whole of government,” view of service delivery. Service transformation will deal with questions such as: how can we deliver services in the most cost-effective way; how can we improve the speed and efficiency of services and obtain better value for money from our “back office” expenditures; and, how can we help the enterprise, whether defined as a department or the whole of government, better understand what is going on across the enterprise, be more proactive in planning, and make sound, evidence-based decisions through access to better information?

By streamlining and “joining up” services, by establishing Service Canada as a government-wide service delivery organization, and by re-using delivery infrastructures and capacity across the government, Canada will improve service quality to the client and achieve savings and efficiencies that can be re-invested in service quality and other priorities.

True service transformation will take multiple years to accomplish, and thus the transformation of external client services and internal operations will require phased implementation strategies. Change management will be a critical priority – steps will be taken to ensure employees, as the

key enabling force in any organization, have the skills, willingness and capacity to adapt to the new service delivery models. Services will be re-engineered over time to drive down costs and improve internal productivity, by eliminating duplicated effort, leveraging economies of scope and scale, and sharing information, and transparency and accountability for results will be enhanced – both at the department level and on a whole of government basis.

## Transforming External Services

GOL is the foundation of Canada’s electronic services, and key GOL projects – known as “Catalytic Projects” because of their potential to generate broader change – will continue to play a significant role as we move ahead with the transformation of services and their delivery. Initiatives such as the Canada Revenue Agency’s *My Account*<sup>5</sup> service are evolving to address Canadians’ desire for seamless, secure, and convenient access to government information and services. With over 2.2 million successful logins and a greater than 80% client satisfaction rating in 2004, the Government of Canada is now exploring how to extend *My Account* services and functionality to other departments in order to provide Canadians with a single, integrated view of their government accounts.

The evolution of on-line services such as *My Account* will effectively complement new transformation initiatives such as Service Canada. Announced in the Government of Canada's 2005 Budget, Service Canada is an integrated service delivery network that will provide one-stop access to most federal government services and eventually, through an evolving network of partnerships, to relevant provincial and territorial government services. Service Canada will build on the progress achieved through GOL to further close the gap between the levels and quality of service that Canadians expect, and what government delivers. The goal is to have easy-to-use integrated service channels – telephone, Internet, mail and in-person – offering seamless access across programs and making the right combination of services available to the right people at the right time.

### Priorities for Service Canada Implementation

- Deliver seamless citizen-centred service
- Enhance the integrity of programs
- Establish a collaborative, networked government
- Demonstrate accountable and responsible government
- Build a service excellence culture

Over time, Service Canada will reach more than 30 million Canadians and 1.3 million employers through the service channel of their choice – the Internet, telephone, mail or one of 320 in-person service points across the country. The plan is to expand points of service in rural and smaller communities across the country, including through “mobile outreach” services so that government service representatives can meet with clients (e.g., persons with disabilities or seniors) in their own homes in the event they are unable to come to government offices to obtain the help they need.

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<sup>5</sup> *My Account* is an on-line service that allows Canadians to manage their personal income tax, Canada Child Tax Benefit (CCTB), and goods and services tax/harmonized sales tax (GST/HST) credit accounts on a secure Web site. Additional information on *My Account* can be found at: <http://www.cra-arc.gc.ca/eservices/tax/individuals/myaccount/menu-e.html>.

Moreover, Service Canada is being engineered to address Canadians' expectations that they will be able to deal with government as a single entity. For example:

- A person applying on-line for Employment Insurance benefits will receive customized information on skills development and employment programs and opportunities in his or her region;
- A person turning 65 will automatically receive an application form for the Canada Pension Plan that already contains key information previously supplied for income tax purposes; or
- A business will be able to make a single payroll information report to meet the requirements of the Canada Revenue Agency, the Canada Pension Plan, the Employment Insurance Program, and Statistics Canada.

Service Canada is already acting as a single point-of-contact for information on all government programs and services through the *1-800-O-Canada* telephone service and the *www.canada.gc.ca* website, as well as through the existing service network of Human Resources and Skills Development Canada (HRSDC) and Social Development Canada (SDC). Its call centres now answer about 80% of the calls to the Government of Canada, excluding those to the Canada Revenue Agency and Canada Post. It also provides direct access to services for individuals for the programs managed by HRSDC and SDC, which provide some \$70 billion per year in benefits to Canadians. Over the next 12 to 18 months, the services of ten more departments and agencies are expected to be added to those that Service Canada already delivers directly to Canadians. By 2008/09, plans call for the services for individuals provided by all Government of Canada departments to be accessible through Service Canada.

An early indication of the potential improvements to service quality and efficiency that can be gained from integrating service delivery through Service Canada can be found in the networking of call centres. These call centres, previously operated individually by more than four programs, are now under the Service Canada umbrella. In the first year following harmonization, and with no significant change in staff levels, Canadians' access to telephone services for the programs involved has improved dramatically (see box on next page for highlights).

By operating as one network, the call centres were able to: harmonize and standardize the delivery of their services; make better use of existing resources by balancing workload and incoming call volumes across call centres; and, train, support and schedule employees to common standards, dramatically improving productivity and the level of service they were able to provide. Further cost savings and service improvements are expected over the next 12 to 18 months as more departments and agencies come under the Service Canada umbrella.

#### **Call Centre Harmonization**

In the first year, and with no significant change in staff levels:

- Agents for the Employment Insurance (EI) program answered 12.1% (725,918) more calls
- Call blockage in EI call centres was reduced by 61%
- Average time to complete serving a caller was reduced by over 5 seconds in EI call centres and 18 seconds in Income Security Program call centres
- "IVR" – an interactive voice response system providing faster service for many routine transactions and enquiries – processed over 25 million more calls for EI and 425,927 more calls for the Income Security Program.



It is clear that integrating service offerings, re-using information across programs, rethinking business processes, and leveraging economies of scale will help the Government of Canada meet Canadians' expectations about the quality, affordability and efficacy of their public services. These actions will result in a more integrated government that has the capacity to reduce service transaction costs, do a better job in delivering services, and help policy-makers respond more efficiently and effectively to economic and societal challenges such as the upcoming wave of "baby boomer" retirements.

## Transforming Internal Services

While re-engineering external service delivery is a key part of the government's plans for service transformation, internal services in areas such as procurement, real property, human resources (HR), financial and materiel management, and information technology (IT), also have a direct impact on the government's ability to make the right decisions, plan and adjust strategies in a timely fashion, and design and deliver programs and services that meet the needs and expectations of citizens, clients and taxpayers.

The Government of Canada's existing administrative and operational structures were shaped in an era when processes were paper-based and data collection was manual. Then, it made sense to divide government into independent administrative units – departments and agencies – that each had their own internal infrastructure tailored to meet their particular needs.

Today the picture is entirely different. Most internal service transactions are conducted at least partially using electronic information and communications technologies (ICTs), and the business of government is far more complex. Most, if not all, of the major policy issues cut across departmental and program boundaries, and the volume of interpersonal and interdepartmental interactions required to make decisions has grown exponentially. At the same time, heightened scrutiny of government spending is placing a greater premium on transparency and accountability for results at the departmental level *and* across the whole of government.

To address these issues, in Budget 2005 the Government of Canada announced plans to fundamentally change the way core operational and administrative services – procurement, real property, HR, finance, material management and IT – are managed and delivered.<sup>6</sup> By adopting a "shared services" approach, one in which all departments and agencies purchase specific services from a common provider (see table below for details), the government expects to significantly reduce overall data collection and transaction costs while making internal services dramatically more efficient, coherent and seamless. This expectation is validated by the provincial governments of British Columbia, Alberta and Ontario, as well as a number of U.S. state governments and the governments of Australia and Ireland: their collective experiences have demonstrated that public sector Shared Services Organizations (SSOs) can substantially enhance internal efficiency while improving an organisation's ability to serve its clients.

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<sup>6</sup> For additional details, please refer to Government of Canada Budget 2005 documents as follows:

- *Expenditure Review for Sound Financial Management* at <http://www.fin.gc.ca/budget05/booklets/bkexpe.htm>
- *Strengthening and Modernizing Public Sector Management* at <http://www.fin.gc.ca/budget05/booklets/bkmgte.htm>

Functional Areas	Shared Services: Higher Potential – Initial Focus	Internal Services: Remain in Depts
Corporate Services	<ul style="list-style-type: none"> <li>• Financial Operations (including accounting, payables and receivables)</li> <li>• Material/Asset Management (corporate)</li> <li>• Compensation, classification, staffing and resourcing</li> <li>• Travel services</li> <li>• <b>Current: \$1.2B – \$1.5B/yr</b></li> </ul>	<ul style="list-style-type: none"> <li>• Corporate &amp; strategic planning, reporting and policy</li> <li>• Organizational design, Labour relations, Internal Audit</li> <li>• Legal services, security, communications</li> <li>• Material/Asset Management (programs)</li> <li>• <b>Current \$1.8B - \$2.2B/yr</b></li> <li>• <b>Additional \$0.4 - \$0.5B</b> in Central Agency policy leadership and Common Service functions such as Receiver General, Banking and Compensation</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• Real property</li> <li>• <b>Current \$1.5B - \$1.9B/yr</b></li> </ul>	
IT Services	<ul style="list-style-type: none"> <li>• Distributed Computing (desktop, email,...); data centres; networks</li> <li>• Corporate applications and systems</li> <li>• <b>Current: \$2.3B/yr</b></li> </ul>	<ul style="list-style-type: none"> <li>• Program applications &amp; systems</li> <li>• Strategic planning, security services, project management</li> <li>• <b>Current \$2.6B/yr</b></li> </ul>

In terms of procurement, the Government of Canada purchases \$13 billion a year in goods and services – everything from flu vaccines to helicopters to paperclips. Since many of these purchases are made by individual departments, the government does not always take advantage of its purchasing power to obtain better prices and the administrative burden of these individual transactions is considerable. By taking a more uniform, consistent approach in the procurement of certain goods and services, consolidating the government's buying power to get the best possible prices, using electronic tools to make the procurement process simpler and taking other steps to improve purchasing, the government expects to save \$2.5 billion over five years on total procurement, cut the time it takes to conduct procurement by 50% and reduce internal procurement costs by 10%.

Since April 1, 2005, all departments and agencies are obligated to use common tools and processes, such as standing offers (when they exist) and the Government of Canada Marketplace, an on-line purchasing tool to be rolled out with four departments in 2005/06, to purchase goods and services. By using these tools, the government will pay less for goods and services than it does now. In addition, by consolidating purchases for 40 of the most commonly purchased categories of goods and services, the government will, over time, be able to negotiate even better prices, which will mean even greater savings.

Substantial benefits are also expected to accrue from the government's new approach to managing its real property assets. Currently, the Government of Canada owns and leases a portfolio of 5.7 million square metres of office space. If ownership of our current portfolio is retained, the government will need to invest \$2 billion over the next five years to address

“rust-out” issues. In addition, Canada’s federal government also owns a higher proportion of buildings than many leading corporations.

Over the next five years, the Government of Canada will find savings through better planning and management, including: pursuing a more aggressive leasing policy to ensure all options to lower costs are examined when leases are up for renewal; undertaking cost-sharing initiatives by co-locating with provincial and municipal governments across Canada; reducing total office space; contracting out property maintenance services, and exploring, where appropriate, the use of multi-purpose (residential, retail and office) complexes. Increased efficiency in overhead and system costs is also part of the strategy, and the Government of Canada is committed to better performance in this area through, for instance, increased reliance on the private sector. Savings over the next five years are estimated at \$925 million.

Improvements in effectiveness and efficiency are also possible within corporate administrative services (HR, finance, and materiel management) and IT services. For example, every year, the Government of Canada spends between \$300 and \$400 million on corporate systems applications (e.g., finance, HR, compensation and pensions), some of which is highly duplicative, with some 14 HR systems and seven finance and materiel management systems in operation. The variety of departmental systems, and non-standardized data definitions, means that the Government of Canada has a more limited capacity to look across its operations, aggregate and compare data, and measure, assess and report on its performance than is acceptable for government in the 21<sup>st</sup> century.

Planning is under way to modernize internal services by streamlining and standardizing corporate administrative services and IT services, and to build a streamlined and more responsive internal service delivery infrastructure, based on a shared service organisation (SSO) model, that will meet the business needs of individual departments *and* those of the government as a whole. Among the many anticipated benefits is the better use of the skills and abilities of government employees: as more routine transactions are processed automatically, employees will be liberated to perform higher value and more fulfilling tasks. Greater standardization of information, common business processes and automated, self-service systems will mean more efficient transactions, greater agility and improved decision-making. Employees can focus more of their time on serving Canadians, rather than adhering to complex and burdensome administrative procedures. Greater integration will drive out efficiencies that can be re-invested in the priorities of Canadians. In sum, the modernization of internal services will result in a government better able to anticipate and respond to its citizens’ needs.

By implementing a shared services model for the delivery of internal services, program personnel will have the information and tools they need to achieve expected outcomes. At the same time, these systems will facilitate cross-government analysis and reporting to ensure that programs work together effectively, and Parliamentarians are able to track government spending and assess whether government activities constitute value for money.

## **4. Organizational Issues: Driving Implementation of Service Transformation and Managing Performance**

The key organizational challenges facing the Government of Canada as it transforms its service delivery infrastructure are: determining the best strategy to deliver on the service transformation agenda; mitigating the risks associated with large scale transformation by adopting a phased approach to implementing change; and, ensuring the planned benefits and outcomes are realized.

Within the federal public service, lead responsibility for these issues rests with the deputy ministers serving on the Service Transformation Advisory Committee (STAC). STAC's role is to advise the Secretary of the Treasury Board on policies, legislation and strategies that are needed to achieve the transformation agenda, to oversee progress and to ensure a coordinated approach government-wide to the various initiatives. STAC is supported by several assistant deputy minister committees.

Current implementation priorities include the development of progress and performance indicators and measures to assess and track key transformation initiatives. A government-wide strategy is also required to assess and manage the broad impacts of the change program. New governance models and strategies must also be developed to enable successful operation of the internal and external service delivery organizations. These will likely include boards of directors and service level agreements (SLAs).

SLAs are an essential tool for ensuring service providers are accountable for their behaviour to the departments they support. Because funds remain with individual departments under a shared services model, SLAs negotiated between departments and service providers give departments the ability to adjust service levels and offerings to meet their specific needs. At the same time, these agreements explicitly tie costs to service levels and provide for external monitoring of performance against clear standards and benchmarks. They establish consequences for the shared service provider if agreed-upon commitments are not met. As a result, negotiated SLAs will assure departments that their service needs will be met consistently, efficiently, and at the lowest possible cost.

## **5. Operational Issues: Working as an Enterprise**

### **A world-leading approach to enterprise architecture**

An enterprise architecture (EA) approach to the design and definition of programs, business processes, and information underpins the Government of Canada's program of change. By embedding a rigorous and disciplined process of strategic analysis, business modelling, and transformation planning and design across the whole of government, EA will enable government to move confidently and expeditiously towards real and sustainable transformative change. EA will put in place the sound, government-wide business architecture required to guide systems

design, information management and information technology investments to ensure they support business objectives.

Canada's internationally recognised Business Transformation Enablement Program (BTEP)<sup>7</sup> is the cornerstone of the government's EA program. BTEP<sup>8</sup> is a business transformation toolkit enabling rigorous strategic planning and integrated strategic design *across* as well as *within* governments, thereby supporting interoperability and integration throughout the public sector. BTEP establishes a rational, standards-based approach to planning and design that government executives and individual business units can use to manage their internal transformation processes without sacrificing the capacity to "join up" processes, interoperate or integrate systems across government at a later date.

The main elements of BTEP are:

- A **Transformation Roadmap** – which helps business owners locate where they are on a "maturity curve" towards a desired end-state;
- The **Governments of Canada Strategic Reference Models (GSRM)** – which provide a common language to depict or map how a government enterprise or program or process works;
- The **BTEP Transformation Framework** – which can be used to create a blueprint and action plan to identify and produce the deliverables necessary to move to implementation;
- A set of Core **Enablers** – which are the core business capabilities common to all departments and agencies that enable interoperability and integration;
- An overall **methodology for transformation** – which describes a step-by-step, iterative process to produce the "executable" visions, strategies, designs, standards, business cases and implementation plans required to move any project from planning to implementation.

BTEP aims to help government organisations improve the reliability and consistency of transformation activities by offering a more thorough, standardized approach for program/service alignment and business design, as well as for transformation project planning and implementation. In essence, BTEP helps government to "change the way it changes" by making transformation planning, design and implementation more manageable and productive.

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<sup>7</sup> In June 2005, *Gartner Inc.* released a research note titled "The Canadian Government's Style of Enterprise Business Architecture." Clients of *Gartner* subscribers can access the complete note on the firm's website: <http://www.gartner.com/Init>.

<sup>8</sup> Additional information about the Business Transformation Enablement Program (BTEP) can be found at: [http://www.tbs-sct.gc.ca/btep-pt0/index\\_e.asp](http://www.tbs-sct.gc.ca/btep-pt0/index_e.asp).

## Information as a Strategic Resource

Like many other governments, generating an accurate whole of government view of administrative information is an ongoing challenge in the Government of Canada. As noted earlier in this report, administrative systems in use across the government are typically configured to meet the specific needs of the organizations that established them. Variances between departments in how data are defined affect the accuracy of whole of government findings, to the extent that it can be difficult to get reliable answers to apparently simple questions like: how many employees does the federal government have; or, how much do we spend each year on training and employee development?

Compounding this situation, much of the “data aggregation” supporting government planning and reporting must still be done manually. Because information needs to be transferred from one system to another for central planning and reporting purposes, time lags are common and, too often, trade-offs are made between accuracy and speed. This incompatibility between departmental information and administrative systems makes it significantly harder for the government to either report comprehensively on its activities or make timely decisions.

The Government of Canada recognizes that information must be managed as a strategic asset in order to resolve these issues, as well as to deliver timely, coherent, integrated and effective policies, programs and services. For this reason, the Government of Canada is establishing a consistent, enterprise-wide approach to information management (IM) through its new IM Program (see box). The IM Program will establish the standards, policies, processes and accountabilities used throughout government to manage information – i.e. how information is defined, catalogued, protected, and made available for use and reuse across the entire enterprise.

By standardizing how information is defined and used across the Government of Canada, the IM Program will significantly improve information interoperability, and thus the government’s ability to share and aggregate information across government in support of policy development, strategic reporting and decision-making, service delivery and operational productivity.

To advance information interoperability, lead agencies are developing an enterprise information architecture and metadata management services. Key accomplishments and activities in this area include:

- Adoption of the Dublin Core as a core metadata standard for Web resources;
- Development of the Government of Canada Core Subject Thesaurus;

### The Government of Canada’s IM Program

The Government of Canada’s IM Program will establish an effective IM infrastructure for the federal public service, comprised of policies, information standards, common processes and skilled people, to support key government priorities such as service transformation and the modernization of the public service.

The key objectives of the IM Program are:

- Responsible stewardship of government information assets
- Transparency of decisions and process
- Availability of reliable information to achieve program and service outcomes
- Compliance with information management policies and legislation.

- Creation and testing of design rules for the development of metadata element sets and value sets in accordance with ISO 11179 (Specification and Standardization of Data Elements);
- Progress toward adoption of standards for description and visualization of geospatial information (ISO TC 19115 and ISO19128); and
- Participation in an inter-jurisdictional project to develop XML schemas for descriptions of government services to business and a Canadian Service Description Markup Language (CSDML).

Ultimately, information interoperability – resulting from the government-wide implementation of the common terminology, common definitions, common standards and common information structures being developed by the IM Program – will enable the consolidation and systems re-engineering required to implement shared services, enhance our ability to manage and retrieve information, and support the government’s broader strategic planning and reporting requirements.

## The Secure Channel

The Secure Channel is a portfolio of services that provide citizens and businesses with secure, private, high-speed access to all of the government’s on-line services and information. It provides secure, reliable telecommunications network services to 129 federal departments and agencies. This key deliverable under the GOL initiative, has become an indispensable enabler of service transformation, and continues to evolve in innovative ways.

Over the past year, specific accomplishments include the following:

- In March 2004, the Secure Channel launched its Common Registration System (CRS). CRS leverages the Secure Channel security and authentication service to enable Canadians to use one single sign-on to access several departmental applications. Some key CRS initiatives in 2004/05 saw the Canada Revenue Agency launch its *My Account* application (see *Transforming External Services* section for additional details about *My Account*). *Passport On-line* was also launched in February 2005. This application allows citizens to initiate their passport applications on-line in a secure and private environment. As of July 2005, twenty-seven programs across fourteen departments were using Secure Channel’s security and authentication *epass* services. As of July 2005, over 817,000 *epass*s had been issued to Canadians.
- In May 2004, the Secure Channel delivered an on-line option for Statistics Canada’s Census Test. This is the first time a national census bureau has provided an on-line questionnaire for citizens to fill out and submit. Using Secure Channel services, over 14,000 Canadians filled out their census forms on-line. This successful test paves the way for the secure on-line response option to be scaled-up, actively promoted, and offered to over 13 million Canadian households for the 2006 Census.

- The Secure Channel expanded its common secure payment service from two storefronts to nine. This service enables Canadians to make on-line payments using a credit card. Over 385,000 payment authorizations have been processed for a total value of over \$20 million.
- In 2004/05, the National Routing System pilot project was initiated. Using Secure Channel's Secure Message Routing Service (SMRS), it provides a Protected B messaging environment for use by federal departments. The pilot is to test the secure transmittal of vital event information (e.g. Births, Deaths, Name Changes) from and among Canadian provinces and territories. The NRS project involves the governments of British Columbia and Alberta, and several federal organizations including Statistics Canada, the Passport Office, and Canada Revenue Agency.
- Secure Channel continued to successfully process the Web Record of Employment (ROE) transactions for Human Resources and Skills Development Canada (HRSDC). The Web ROE application takes one of HRSDC's most important documents for receiving Employment Insurance benefits and enables employers to complete the transaction on-line. More than 15,500 businesses have used HRSDC's Web application to process over 970,000 ROE transactions.
- The Secret Communications Interoperability Project (SCIP) lead by Public Safety and Emergency Preparedness Canada was initiated. It will provide the government-wide capability for a Secret-level electronic communications to support government personnel and others responsible for assuring the safety of Canadians. Services and capabilities will include e-mail and web-based information sharing, which comprise the backbone for interagency cooperation and interoperability. The pilot infrastructure will be developed and deployed by Canada Security Establishment and Public Works and Government Services Canada respectively, and delivered to 250 users by September 2006 and 1,000 users by March 2008, for initial and then full operational capacity.

## 6. Inter-jurisdictional Collaboration

The federal government's clients – whether citizens, taxpayers, businesses or non-profit organizations – rarely differentiate among departments and agencies, and often do not distinguish between jurisdictions. Canadians tend to regard government as a single entity and, increasingly, they want to be able to deal with it that way. However, Canadians often find that programs and service delivery are confusingly intertwined. Health care is a case in point. Although provinces and territories have jurisdiction over the delivery of health care, including hospitals and physician services, the federal government is responsible for the regulation of health policy, standards for food and drug safety and research, and for providing direct health care services to nearly a million Canadians, including First Nations and Inuit peoples, veterans, inmates of federal correctional institutions, and Canadian Forces Personnel. Municipal governments also offer a diverse array of local health services, particularly in the area of public health. Citizens can easily become bewildered by this division of authority and responsibility, and may look to any or all of these governments to find the specific information and services



they require. The challenge facing all levels of government in this complex operating environment is to deliver integrated services that meet citizens' needs and expectations for quality and simplicity, while respecting the legal, political, and cultural realities unique to each jurisdiction.

The efforts of individual governments to respond to the unique geographic, language, cultural and economic realities at play within their jurisdictions have led to differing priorities, policies and legislation that can be barriers to service integration. Moreover, whenever the potential for collaboration or service integration is considered, past investments in jurisdiction-specific infrastructure and processes can make it difficult to move forward. Progress can be further impeded by the fact that most jurisdictions do not have a single authority to lead resolution of broad service delivery issues.

At the same time, the governments of Canada have recognised the importance of addressing issues of inter-jurisdictional coordination and collaboration. A concerted effort to bring about greater collaboration in service delivery began in the 1990s, with the creation of an informal multi-jurisdictional council based on service quality. By 2005, Canada's municipal IT organizations formally joined forces to create the **Municipal Information Systems Association of Canada (MISA Canada)**,<sup>9</sup> giving municipalities a new and integrated voice at the inter-jurisdictional table. At the federal/provincial and territorial levels, two important organizations have taken the lead in addressing inter-jurisdictional issues: the **Public Sector Service Delivery Council (PSSDC)**, and the **Public Sector Chief Information Officer Council (PSCIOC)**. Both councils comprise senior officials from federal, provincial, and (some) municipal governments. The two organizations work both independently and collaboratively as the **Joint Councils**<sup>10</sup> to exchange best practices, evaluate and pursue opportunities to adopt common practices and collaborate on service delivery, and conduct joint research.

The **Joint Councils** have undertaken an impressive body of work over the past decade,<sup>11</sup> including the creation of the **Institute for Citizen Centred Service (ICCS)**.<sup>12</sup> The ICCS provides high quality research into citizens' service needs and expectations and helps public sector organisations identify and apply best practice service solutions to meet their clients' needs. Of particular value to all jurisdictions is the ICCS' **Citizens First** survey. *Citizens First* is a biennial nation-wide survey of government performance and

**The Institute for  
Citizen-Centred Service –  
Mission**

The Mission of the ICCS is to promote high levels of citizen satisfaction with public sector service delivery. The ICCS achieves its Mission by undertaking research to identify citizens' service needs and expectations and by assisting the public sector in identifying and applying innovative, best practice service solutions which support quality service across all channels and respond effectively to citizens' service needs.

*Institute for Citizen-Centred Service*  
<http://www.iccs-isac.org/>

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<sup>9</sup> For further information on the Municipal Information Systems Association, see: <http://www.misa-asim.ca/>

<sup>10</sup> For further information on the Public Sector Service Delivery Council Information Council (PSCIOC), contact the current Council Secretariat.

<sup>11</sup> It should be noted that while a broad range of Canada's inter-jurisdictional activities are encouraged and supported by the Joint Councils, many activities also emerge from bilateral and multilateral engagements outside of the formal Joint Council work plans.

<sup>12</sup> For further information on the Institute for Citizen-Centred Service (ICCS), see: <http://www.iccs-isac.org/>.

citizens' service preferences. Because of its quality and comprehensiveness, the results of this survey are used to determine the level of citizen satisfaction for the purposes of the Service Improvement Initiative (see *Section 3: Canada's Strategic Approach* for additional information about the Service Improvement Initiative). New ICCS projects include work on the **Service Value Chain**, a major exploration of the drivers of client satisfaction and the links between these drivers and service delivery and quality. Also in the past year a major new biennial national survey, *Taking Care of Business*, has been created to determine the service needs and expectations of the business community.

Over the past year, the Joint Councils have sought to clarify their common vision through shared events and collaborative planning. They are currently in the process of developing a new strategic work plan that will guide Council activities until 2009. Key business drivers emerging in the plan's development process include: addressing fiscal pressures; low citizen trust and confidence; client (i.e. individuals and businesses) service needs; and, taxpayer demands for efficiency. As the inter-jurisdictional service delivery paradigm matures, governments are also aware that efforts to advance collaboration in the areas of technology and processes need to be matched by increasing attention to issues of mandate, governance, and political support.

## 7. Canada's Top Three IT Priorities

At this time, the three topics of prime importance to Canada's IT strategy are:

### Performance Measurement

The Government of Canada's transformation agenda is about improving the performance of both operations and investments to ensure citizens, businesses and taxpayers receive the highest possible value from their public services. Having the right performance indicators in place is essential to determining whether IT investments are producing value for money. Although there is a strong public perception that large government IT projects inevitably have problems or that a high percentage of IT projects fail, the absence of a strong performance management regime makes it difficult to obtain sound information about the value and results of our IT investments and the options for addressing any deficiencies.

The government is taking a number of actions to deal with this issue. We will continue to implement the Enterprise Architecture (EA) Program, since embedding EA models and practices across government will establish explicit links between technology and business requirements and will provide the framework needed to determine how effectively IT investments are contributing to the government's objectives for programs and services. In addition, we are defining key performance indicators (KPIs) that measure performance and productivity, rather than simply client satisfaction. An initial focus has been government call centres, but efforts are under way to determine where it makes sense to set up common performance measures, what these measures should be, and how they should be used to continue driving improvement.

The government is also looking to formalize and embed the practice of “outcomes management,” defined as the practice of assessing programs and services against identified outcomes – whether these are savings or service quality improvements – and managing the achievement of outcomes by understanding risks, ensuring that risk mitigation strategies are in place, and tracking progress toward the realization of benefits. By establishing this government-wide outcomes management practice, the government will extend the definition of “good performance” beyond simply delivering on time and on budget, to delivering a project that is well aligned with the government’s broader strategic goals and produces expected benefits.

## **Moving to New Service Delivery Models**

A key element of the Government of Canada’s plan for transforming service delivery involves establishing and maturing Shared Service Organisations (SSOs). From an implementation perspective, there are two main challenges to realizing this goal: 1) achieving a high degree of standardization, consolidation and rationalization in service delivery activities across government; and, 2) effectively managing the transition to new service delivery models, which will require substantial and sustained effort over a period of many years.

To guide the move to new service delivery models, the Government of Canada is developing detailed business cases and implementation strategies that address: the rationale for change; the level and type of investments required; the benefits that would be generated over time; options for the pace of implementation; and, the need to mitigate risk by adopting a phased approach to implementation. In addition, government business processes will need to be re-engineered as part of this process, and steps must be taken to define enterprise business requirements, establish a standard language for service delivery across government, and determine which elements are best suited to automation and self-service. To ensure broad support for the move to new service delivery models, the government will continue working collaboratively to validate plans, monitor results, and identify the greatest opportunities and challenges.

## **Enhancing IT Security**

The Government of Canada, like many large organizations, faces a growing range of IT-related security issues – from irritating and time consuming SPAM to unauthorized access to personal or business information, to vulnerabilities in government systems.

The Government of Canada already has policies and operational standards in place to support the consistent application of IT security. The Management of Information Technology Security (MITS) standard<sup>13</sup> defines the mandatory security requirements that departments and agencies must fulfill to ensure the security of information and IT assets under their control. Although compliance with the MITS provides a common baseline for IT security in the Government of Canada, efforts must continue to help departments implement this operational standard. Departments understand that a strong IT security profile is critical in a networked world, but

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<sup>13</sup> For further information about the Management of Information Technology Security (MITS) standard, see: [http://www.tbs-sct.gc.ca/pubs\\_pol/gospubs/TBM\\_12A/23RECON-PR\\_e.asp?printable=True](http://www.tbs-sct.gc.ca/pubs_pol/gospubs/TBM_12A/23RECON-PR_e.asp?printable=True)

some organisations – particularly small departments and agencies – can find it challenging to fully meet their evolving IT security needs. Implementation of an SSO model for IT services could help to resolve this issue through the provision of common IT security services.

## 8. Conclusion

Canada is changing and the Government of Canada must change with it. Globalization, the rapid evolution of technology, and the need for heightened security are having a profound impact on citizens and businesses across the country; and it is clear that the Government's ability to continue serving Canadians in this new environment depends on the choices we now make.

Canadians do not always know, or care, which level of government is responsible for providing a particular service, but they do expect government to put them – the country's citizens, businesses, clients and taxpayers – at the centre of public service delivery. Canadians have clearly told us:

- They want to choose how they interact with government – in person, by mail, by telephone or, increasingly, over the Internet;
- They want information and services to be consistent across channels, and available when, where and in the official language of their choice;
- They want customized service, tailored to their individual needs, whether they are citizens or businesses;
- They want a single “government face” regardless of jurisdiction; and
- They want government that is prudent, transparent and accountable.

The Government of Canada is working hard to adapt to these changing public expectations – no easy task considering the diverse range of services we provide: from income security programs to public health advice; from passports to the weather report. But, by fundamentally rethinking the way we manage and deliver our information, programs and services, we are responding to this challenge.

The Canadian government has already taken the first crucial steps to address the complexities of service delivery in the 21<sup>st</sup> century. Government On-Line and the Service Improvement Initiative have allowed us to establish the infrastructure and partnerships that will underpin next generation public services; and our multi-channel approach has made Canada an internationally recognised leader in the area of public sector service delivery.

However, to retain our leadership we must build on the progress we have made. The time has come to drop the “e” from e-government, and move forward with the fundamental transformation of our operations and services to meet Canadians' expectations that their government will be connected, responsive, flexible, transparent and accountable.

Ultimately, this is what service transformation is all about: it is a program of change aimed at improving client satisfaction, driving down administrative costs, strengthening accountability for results, and achieving better policy outcomes. It reflects the fact government can no longer rely on traditional departmental “silos” to meet Canadians’ needs and expectations, and that, in today’s world, delivering information and services effectively, efficiently and transparently requires a new approach – one that places citizens at the centre of service delivery, and encourages collaboration across departments, jurisdictions and sectors.

Through key programs and initiatives – including Service Canada, the Internal Services Modernization Program, and the Government of Canada Enterprise Architecture and Information Management Programs – the Government of Canada will rationalize and integrate the design, development, management and delivery of information, programs and services.

The Government of Canada is undertaking these transformative initiatives because, simply put, a connected government, with more shared services and common processes, is a government that can respond more effectively and nimbly to the needs of its citizens. While modernizing the way we work will not be easy, it is necessary if we are to continue meeting public goals and achieving the outcomes that matter most to Canadians.