

INDUSTRY CANADA

2013–14

Departmental Performance Report

The Honourable James Moore, P.C., M.P.
Minister of Industry

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Table of Contents

Foreword	5
Minister’s Message	7
Section I: Organizational Expenditure Overview.....	9
Organizational Profile	9
Organizational Context	10
Actual Expenditures	16
Alignment of Spending With the Whole-of-Government Framework	20
Departmental Spending Trend	21
Estimates by Vote.....	22
Section II: Analysis of Programs by Strategic Outcome.....	23
Strategic Outcome: The Canadian marketplace is efficient and competitive	23
Program: Marketplace Frameworks and Regulations	24
Sub-program: Trade Measurement	25
Sub-program: Bankruptcy and Insolvency	27
Sub-program: Federal Incorporations	28
Sub-program: Investment Review	29
Sub-program: Intellectual Property.....	31
Sub-program: Internal Trade Secretariat	33
Program: Spectrum, Telecommunications and the Online Economy	35
Sub-program: Spectrum Management and Telecommunications.....	37
Sub-program: Electronic Commerce	39
Program: Consumer Affairs	41
Program: Competition Law Enforcement	43
Strategic Outcome: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy	45
Program: Science, Technology and Innovation Capacity	45
Sub-program: Government Science and Technology Policy Agenda	46
Sub-program: Science and Technology Partnerships	48
Program: Information and Communication Technologies Research and Innovation	50
Program: Industrial Research and Development Financing.....	53
Sub-program: Automotive Innovation.....	54

Sub-program: Aerospace Innovation	56
Sub-program: Strategic Aerospace and Defence Initiative.....	57
Sub-program: Technology Partnerships Canada	59
Strategic Outcome: Canadian businesses and communities are competitive.....	61
Program: Small Business Research, Advocacy and Services	61
Sub-program: Canada Small Business Financing.....	62
Sub-program: Canada Business Network	63
Sub-program: Small Business Growth and Prosperity	65
Program: Industrial Competitiveness and Capacity	67
Sub-program: Industry-Specific Policy and Analysis.....	68
Sub-program: Shipbuilding Capacity	70
Sub-program: Industrial and Regional Benefits	71
Program: Community Economic Development	73
Sub-program: Community Futures	74
Sub-program: Northern Ontario Development	76
Sub-program: Computers for Schools	77
Sub-program: Community Internet Access	79
Sub-program: Economic Development Initiative for Official Language Minority Communities	80
Internal Services	82
Section III: Supplementary Information	85
Financial Statements Highlights.....	85
Financial Statements	85
Supplementary Information Tables	90
Tax Expenditures and Evaluations.....	90
Section IV: Organizational Contact Information	91
Appendix: Definitions	93
Endnotes	95

Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013–14 to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and

performance information in Section II at the lowest level of the organization’s Program Alignment Architecture.

In addition, the DPR’s format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization’s website. Finally, definitions of terminology are now provided in an appendix.

Minister's Message

I am pleased to report on Industry Canada's key activities in 2013–14.

Our government continued to take action to improve conditions for investment and innovation performance, as well as to increase Canada's share of global trade, to build an efficient and competitive marketplace.

A key component of this agenda was to deliver on our commitment to protect the interests of Canadian consumers by creating the right conditions for more choice, lower prices and better services in the wireless telecommunications sector. Highlights include the following:

- the conclusion of the 700 MHz spectrum auction, generating \$5.28 billion in revenue and enabling at least four wireless providers in every region of the country;
- changes to the policy on how new cellphone towers are installed, ensuring that local residents and governments are at the forefront of the tower placement process; and
- the release of Digital Canada 150, a plan for Canadians to take full advantage of opportunities in the modern digital age.

In addition, Industry Canada made considerable investments in leading-edge automotive manufacturing to further strengthen our economy and ensure that high-quality jobs remain here in Canada. In September 2013, our government delivered on a commitment to transform the Ford plant in Oakville into a global manufacturing facility with a \$71.6 million investment through the Automotive Innovation Fund. This investment will help secure the future of the Oakville Assembly plant.

The Department also launched the Technology Demonstration Program, which will help businesses in the aerospace and defence industry move their products from the lab to the marketplace.

This past year I was pleased to announce *Canada's Space Policy Framework* to guide our future activities in space exploration. It will help ensure a strong and commercially competitive space industry that will continue to inspire—and employ—Canadians for years to come.

Our government will continue to work with the provinces and territories to modernize Canada's Agreement on Internal Trade, helping eliminate the barriers to trade within Canada that negatively affect our domestic economy and international competitiveness.



As we approach Canada’s 150th birthday in 2017, our government remains committed to creating jobs and economic growth by providing Canadian businesses and communities with the opportunities they need to succeed.

I am pleased to present the 2013–14 Departmental Performance Report for Industry Canada.

James Moore
Minister of Industry

Section I: Organizational Expenditure Overview

Organizational Profile

Minister:

The Honourable James Moore, P.C., M.P.

Minister of State (Science and Technology):

The Honourable Ed Holder, P.C., M.P.

Minister of State (Small Business and Tourism, and Agriculture):

The Honourable Maxime Bernier, P.C., M.P.

Minister of State (Federal Economic Development Agency for Southern Ontario):

The Honourable Gary Goodyear, P.C., M.P.

Minister of State (Federal Economic Development Initiative for Northern Ontario):

The Honourable Greg Rickford, P.C., M.P.

Deputy Head:

John Knubley

Ministerial portfolio:

Industry

Year established:

Incorporated in 1892

Main legislative authorities:

Industry Canada's founding legislation is the *Department of Industry Act*, S.C. 1995, c.1.

Organizational Context

Raison d'être

Industry Canada's mission is to foster a growing, competitive, knowledge-based Canadian economy.

The Department works with Canadians throughout the economy, and in all parts of the country, to improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build an efficient and competitive marketplace.

Industry Canada's mandate is to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

Responsibilities

Industry Canada works with Canadians in all areas of the economy and in all parts of the country to improve conditions for investment, to enhance Canada's innovation performance, and to make Canadian firms more productive and competitive in the knowledge-based economy. The Department works on a broad range of matters related to industry and technology, trade and commerce, science, consumer affairs, corporations and corporate securities, competition and restraint of trade, weights and measures, bankruptcy and insolvency, intellectual property, investment, small business, and tourism.

Twelve federal departments and agencies make up the Industry Portfolio. Industry Canada works in partnership with the members of the Industry Portfolio to leverage resources and use synergies in a number of areas in order to further the Government of Canada's goal of building a knowledge-based economy in all regions of Canada and to advance the government's jobs and growth agenda.

Strategic Outcomes and Program Alignment Architecture (PAA)

Industry Canada's Program Alignment Architecture (PAA) is an inventory of all of its programs. The programs are depicted in a logical and hierarchical relationship to each other and to the strategic outcome to which they contribute. The PAA also provides a framework that links financial and non-financial resources and results to each program.

For 2013–14, the Small Business Internship Program has been removed as the program ended on March 31, 2013, and some program descriptions have been clarified to better reflect the programs.

Strategic Outcome: The Canadian marketplace is efficient and competitive

Program: Marketplace Frameworks and Regulation

- Sub-program: Trade Measurement
- Sub-program: Bankruptcy and Insolvency
- Sub-program: Federal Incorporations
- Sub-program: Investment Review
- Sub-program: Intellectual Property
- Sub-program: Internal Trade Secretariat

Program: Spectrum, Telecommunications, and the Online Economy

- Sub-program: Spectrum Management and Telecommunications
- Sub-program: Electronic Commerce

Program: Consumer Affairs

Program: Competition Law Enforcement

Strategic Outcome: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy

Program: Science, Technology and Innovation Capacity

- Sub-program: Government Science and Technology Policy Agenda
- Sub-program: Science and Technology Partnerships

Program: Information and Communication Technologies Research and Innovation

Program: Industrial Research and Development Financing

- Sub-program: Automotive Innovation
- Sub-program: Aerospace Innovation
- Sub-program: Strategic Aerospace and Defence Initiative
- Sub-program: Technology Partnerships Canada

Strategic Outcome: Canadian businesses and communities are competitive

Program: Small Business Research, Advocacy and Services

- Sub-program: Canada Small Business Financing
- Sub-program: Canada Business Network
- Sub-program: Small Business Growth and Prosperity

Program: Industrial Competitiveness and Capacity

- Sub-program: Industry-Specific Policy and Analysis
- Sub-program: Shipbuilding Capacity
- Sub-program: Industrial and Regional Benefits

Program: Community Economic Development

- Sub-program: Community Futures
- Sub-program: Northern Ontario Development
- Sub-program: Computers for Schools
- Sub-program: Community Internet Access
- Sub-program: Economic Development Initiative for Official Language Minority Communities

Internal Services

Organizational Priorities

The achievements highlighted below correspond to the organizational priorities set out in the 2013–14 Report on Plans and Priorities.

Priority	Type	Strategic Outcome
Advancing the marketplace	Ongoing	The Canadian marketplace is efficient and competitive
Summary of Progress		
What progress has been made towards this priority?		
<ul style="list-style-type: none"> • Industry Canada (IC) auctioned the 700 MHz radio spectrum band in January and February 2014, generating revenue of \$5.27 billion. In total, 97 licences were awarded to eight companies. Auction rules resulted in four wireless service providers in every region of the country holding this high-quality spectrum. • As part of the implementation of Canada's Anti-Spam Legislation, Industry Canada finalized the Electronic Commerce Protection Regulations, which were published in the Canada Gazette Part II on December 18, 2013.¹ The regulations include clarifications of key terms and exemptions for legitimate business activities. The legislation came into force on July 1, 2014. • In response to the 2013 Speech from the Throne, the Department undertook initial activities in support of the federal government's Consumers First agenda. • IC led the development of a renewed federal/provincial/territorial agenda for internal trade. • The Department certified and reviewed all applications for review filed by foreign investors. Information was subsequently provided to the Minister of Industry in order to support decision making regarding the likely net benefit of proposed investments. • Key international intellectual property (IP) treaties that will make it easier for Canadian firms who want to enter global markets as well as reduce barriers for foreign firms who want to register their IP in Canada were tabled in January 2014. 		

Priority	Type	Strategic Outcome
Fostering the knowledge-based economy	Ongoing	Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy
Summary of Progress		
What progress has been made towards this priority?		
<ul style="list-style-type: none"> • Industry Canada prepared a discussion paper to guide public consultation on a renewed Science, Technology and Innovation Strategy. The Department received hundreds of submissions from the public, and conducted two roundtable meetings with key stakeholders. 		

Priority	Type	Strategic Outcome
Supporting business	Ongoing	Canadian businesses and communities are competitive
Summary of Progress		
What progress has been made towards this priority?		
<ul style="list-style-type: none"> • Industry Canada collaborated with the Federal Economic Development Agency for Southern Ontario to implement the Advanced Manufacturing Fund announced in Budget 2013, collaborating on the design of the economic and innovation analysis that will be applied to project submissions. • Following the preliminary response to the Aerospace Review provided in Budget 2013, the federal government responded to several key recommendations, including launching a new Technology Demonstration Program in September 2013 and announcing enhancements to the Strategic Aerospace and Defence Initiative in December 2013. • As part of ongoing administration of the Industrial and Regional Benefits policy, Industry Canada developed innovative approaches on the Fixed Wing Search and Rescue project to ensure the participation of a Canadian partner to provide maintenance for the aircraft and better outcomes for Canadian industry. • The Department continued to undertake activities to improve access to Government of Canada information, programs and services for small and medium-sized enterprises through the Canada Business Network and completed regulatory changes to modernize the Canada Small Business Financing Program. 		

Priority	Type	Strategic Outcome
Ensuring sound management	Ongoing	All strategic outcomes
Summary of Progress		
What progress has been made towards this priority?		
<ul style="list-style-type: none"> • Industry Canada continued its efforts in building the workforce of the future, including developing the skills and talent of its employees while fostering leadership reflective of Public Service values at all levels. In addition, the Department has fully implemented the Common Human Resources Business Processes, a public service-wide initiative to standardize how human resources business is conducted. • The seven-year National Accommodation Strategy project is on schedule, and expected to avoid rental costs for years to come. In 2013–14, the Department met its targeted release of National Capital Region office space to Public Works and Government Services Canada. • Industry Canada enhanced collaboration and engagement of partners across the Industry Portfolio to improve delivery of programs and services that support Canadians and Canadian businesses. 		

Risk Analysis

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Demand for mobile services and spectrum continues to increase.	In order to mitigate this risk, the Department published a multi-year spectrum release plan on March 7, 2013. Industry Canada also continued to make spectrum available. This included auctioning the 700 MHz radio spectrum band in January and February 2014 and preparing for the 2015 auction of spectrum in the 2500 MHz band. In addition, “use it or lose it” provisions were announced for renewal of licenses in the 2300 and 3500 MHz bands, to ensure that this wireless spectrum is used to benefit consumers in underserved areas.	<p>Strategic Outcome: The Canadian marketplace is efficient and competitive</p> <p>Program: Spectrum, Telecommunications and the Online Economy</p>
Market conditions, as well as the structure of Industry Canada's R&D programs, may impact the schedule of disbursements under the programs and anticipated results.	Industry Canada worked to implement the recommendations of the Aerospace Review to ensure the Department's programs meet the needs of its stakeholders. This included launching the Technology Demonstration Program, and introducing changes to the Strategic Aerospace and Defence Initiative (SADI) to make it more effective and efficient. The Department also implemented recommendations from the Fall 2012 Office of the Auditor General report, including the development of an updated performance measurement strategy for SADI.	<p>Strategic Outcome: Advancements in science and technology, knowledge and innovation strengthen the Canadian economy</p> <p>Program: Industrial Research and Development Financing</p>

Industry Canada's risk environment is shaped by the Department's mandate and objectives, government policies and priorities, as well as broader economic, social and technological trends. To achieve its priorities and deliver program results, the Department identified and managed the risks associated with them. The risks included in the table above are those that were identified as having the greatest potential impact on the Department's priorities for program delivery in 2013–14.

Each year, Industry Canada uses a tailored integrated management approach to address risks that may impede the Department's overall ability to deliver on its mandate. This approach meets the Department's need for sound risk management and allows it to monitor the mitigation strategies and action plans for its corporate risks.

2013–14 Departmental Performance Report

Actual Expenditures

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	Difference (actual minus planned)
1,160,225,456	1,219,589,456	1,445,761,724	1,115,475,464	(104,113,992)

Human Resource (Full-Time Equivalents—FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
4,873	4,688	(185)

Budgetary Performance Summary for Strategic Outcomes and Programs (dollars)

Strategic Outcomes, Programs and Internal Services	2013–14 Main Estimates	2013–14 Planned Spending	2014–15 Planned Spending	2015–16 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2011–12 Actual Spending (authorities used)
Strategic Outcome: The Canadian marketplace is efficient and competitive								
Marketplace Frameworks and Regulations (1)	56,648,225	56,648,225	54,391,487	58,488,043	220,871,835	47,207,056	30,275,871	39,051,648
<i>Marketplace Competition and Investments (2)</i>	N/A	N/A	46,211,463	46,211,463	N/A	N/A	N/A	N/A
Spectrum, Telecommunications and the Online Economy (3)	82,684,445	82,684,445	114,149,657	113,865,399	105,974,606	104,364,290	126,216,305	91,353,868
Consumer Affairs (4)	4,536,406	4,536,406	N/A	N/A	4,816,683	4,665,036	4,606,545	4,820,367
Competition Law Enforcement (5)	44,242,595	44,242,595	N/A	N/A	48,880,925	47,114,308	49,730,971	49,936,642
Strategic Outcome Subtotal	188,111,671	188,111,671	214,752,607	218,564,905	380,544,049	203,350,690	210,829,692	185,162,525

2013–14 Departmental Performance Report

Strategic Outcomes, Programs and Internal Services	2013–14 Main Estimates	2013–14 Planned Spending	2014–15 Planned Spending	2015–16 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2011–12 Actual Spending (authorities used)
Strategic Outcome: Advancements in science and technology, knowledge and innovation strengthen the Canadian economy								
Science, Technology and Innovation Capacity (6)	300,804,369	307,804,369	319,889,018	277,939,018	293,158,433	210,195,969	415,896,394	440,838,152
Information and Communication Technologies Research and Innovation (7)	34,817,205	34,817,205	N/A	N/A	40,864,257	37,793,377	47,581,822	44,920,362
Industrial Research and Development Financing (8)	332,526,112	355,690,112	281,396,343	288,573,685	385,360,732	330,580,008	349,193,500	332,865,598
Strategic Outcome Subtotal	668,147,686	698,311,686	601,285,361	566,512,703	719,383,422	578,569,354	812,671,716	818,624,112
Strategic Outcome: Canadian businesses and communities are competitive								
Small Business Research, Advocacy and Services	102,258,916	102,258,916	95,390,065	86,077,065	84,894,338	85,577,041	81,516,335	99,038,194
Industrial Competitiveness and Capacity	36,145,038	36,145,038	31,560,065	31,555,309	38,182,192	37,132,066	44,123,977	39,598,155
Community Economic Development	65,318,795	65,318,795	61,707,284	63,547,284	84,853,872	72,366,822	76,756,979	153,211,215
Strategic Outcome Subtotal (9)	203,722,749	203,722,749	188,657,414	181,179,658	207,930,402	195,075,929	202,397,291	291,847,564
Internal Services Subtotal (10)	100,243,350	129,443,350	124,810,133	124,771,312	137,903,851	138,479,491	131,684,019	151,075,979
Total	1,160,225,456	1,219,589,456	1,129,505,515	1,091,028,578	1,445,761,724	1,115,475,464	1,357,582,718	1,446,710,180

Performance Summary Explanation

Strategic Outcome: The Canadian marketplace is efficient and competitive

1. The 2013–14 Total Authorities Available for Use amount under the Marketplace Frameworks and Regulations program largely reflects the Intellectual Property sub-program, which includes surpluses accumulated by the Canadian Intellectual Property Office (CIPO) since its creation in 1994. CIPO is an organization within the Department that is funded entirely from the revenues it generates. The intent is not to spend the accumulated surplus portion in any single year, but to draw from it when needed.
2. Starting in 2014–15, the Marketplace Competition and Investments program will replace the former Competition Law Enforcement program and Investment Review sub-program. There is no historical information for the new program.
3. The changes in 2013–14 Authorities and Actual Spending compared to Planned Spending for the Spectrum, Telecommunications and the Online Economy program reflect Industry Canada's \$8 million expenditure on the \$9 million wireless policy advertising campaign, as well as \$9 million for the project to modernize the IT system used for spectrum management and other spectrum management equipment. Actual Spending for this program also included in-year costs related to compensation adjustments and pay list requirements to meet the legal obligations of the employer (e.g. parental leave). The change in 2012–13 Expenditures is due to a one-time payment for a settlement agreement. The change in Planned Spending starting in 2014–15 also reflects the restructuring of the program as a result of the new 2014–15 PAA (Information and Communication Technologies Research and Innovation will be included as a sub-program of this program).
4. Starting in 2014–15, the Consumer Affairs program will be reported under the Marketplace Frameworks and Regulations program, as a result of the new 2014–15 PAA.
5. Starting in 2014–15, the Competition Law and Enforcement program will be reported under the Marketplace Competition and Investments program, as a result of the new 2014–15 PAA.

Strategic Outcome: Advancements in science and technology, knowledge and innovation strengthen the Canadian economy

6. The change in Expenditures in the Science, Technology and Innovation Capacity program from 2011–12 to 2013–14 reflects the completion of activities related to stimulus funding from Canada's Economic Action Plan 2009, including the Government of Canada's \$2 billion investment in the Knowledge Infrastructure Program. Actual and Planned Spending for future years does not reflect investments announced in Budget 2014 (including for Mitacs and the Institute for Quantum Computing).

7. Starting in 2014–15, Information and Communication Technologies Research and Innovation will be reported as a sub-program under Spectrum, Telecommunications and the Digital Economy, as a result of the new 2014–15 PAA.
8. The change in Planned Spending in the Industrial Research and Development Financing program starting in 2014–15 is related to the completion of the Bombardier C-Series program and the end of additional funding over a four-year period announced in Budget 2009 to support investments in innovation in the aerospace industry. As well, funds for the Aerospace Innovation Program for fiscal year 2014–15 were reprofiled into fiscal year 2013–14 because of an increase in near-term program spending. Budget 2014 provided for an additional \$500 million over two years for the Automotive Innovation Fund, which will be reflected in future Estimates reports.

Strategic Outcome: Canadian businesses and communities are competitive

9. The changes in Expenditures since 2011–12 for this Strategic Outcome are primarily due to the decrease in the funding of two programs. The Budget 2009 initiative, Broadband Canada: Connecting Rural Canadians (reported under Community Economic Development), is nearing its completion in 2015–16. Budget 2014 provided for \$305 million over five years for the Connecting Canadians program, which will enhance access to high-speed broadband networks, as well as \$36 million over four years to renew the Computers for Schools Program. Statutory payments to lenders with respect to claims for losses on defaulted loans made under the Canada Small Business Financing Program (reported under Small Business Research, Advocacy and Services) also decreased primarily as a result of the reduction in loans made in recent years and fewer claims being received and paid.

Internal Services

10. The changes in Expenditures, Main Estimates, and Planned Spending under Internal Services appear each year, and are due, in part, to the Department's funding model, according to which a large portion of its core budget comes from repayments and royalties received for support provided under former contribution programs. This portion varies from year to year, and is accessed annually through Supplementary Estimates; it is never reflected in the Main Estimates.

Further information is available in the Analysis of Programs and Sub-Programs by Strategic Outcome section of this report.

Alignment of Spending With the Whole-of-Government Framework

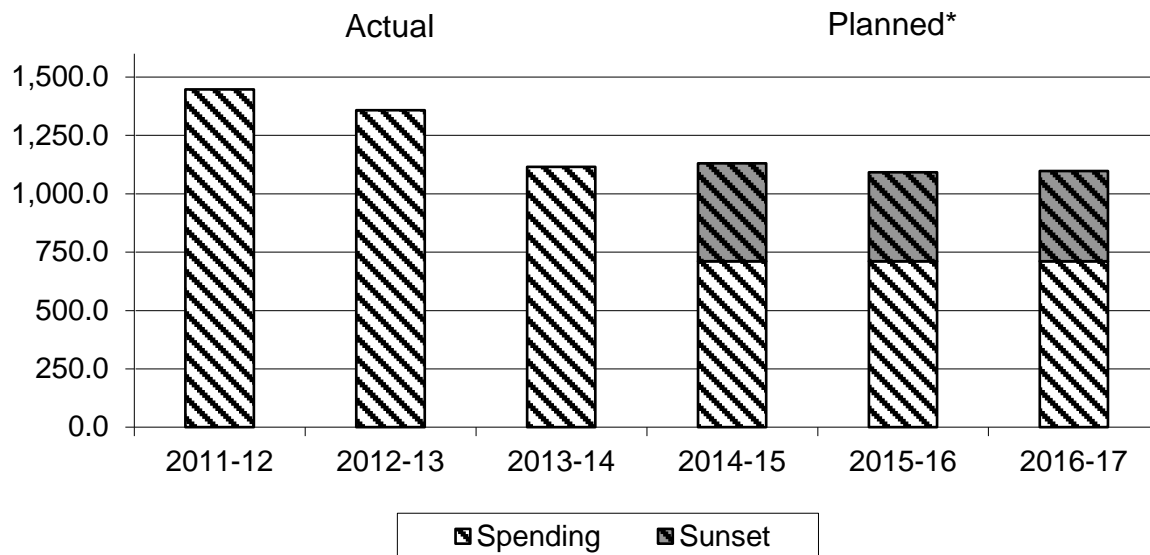
Alignment of 2013–14 Actual Spending With the Whole-of-Government Framework² (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2013–14 Actual Spending
The Canadian marketplace is efficient and competitive	Marketplace Frameworks and Regulation	Economic Affairs	A fair and secure marketplace	47,207,056
	Spectrum, Telecommunications, and the Online Economy	Economic Affairs	A fair and secure marketplace	104,364,290
	Consumer Affairs	Economic Affairs	A fair and secure marketplace	4,665,036
	Competition Law Enforcement	Economic Affairs	A fair and secure marketplace	47,114,308
Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy	Science, Technology and Innovation Capacity	Economic Affairs	An innovative and knowledge-based economy	210,195,969
	Information and Communication Technologies Research and Innovation	Economic Affairs	An innovative and knowledge-based economy	37,793,377
	Industrial Research and Development Financing	Economic Affairs	An innovative and knowledge-based economy	330,580,008
Canadian businesses and communities are competitive	Small Business Research, Advocacy and Services	Economic Affairs	Strong economic growth	85,577,041
	Industrial Competitiveness and Capacity	Economic Affairs	Strong economic growth	37,132,066
	Community Economic Development	Economic Affairs	Strong economic growth	72,366,822

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending (excluding Internal Services)
Economic Affairs	1,090,146,106	976,995,973
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0

Departmental Spending Trend

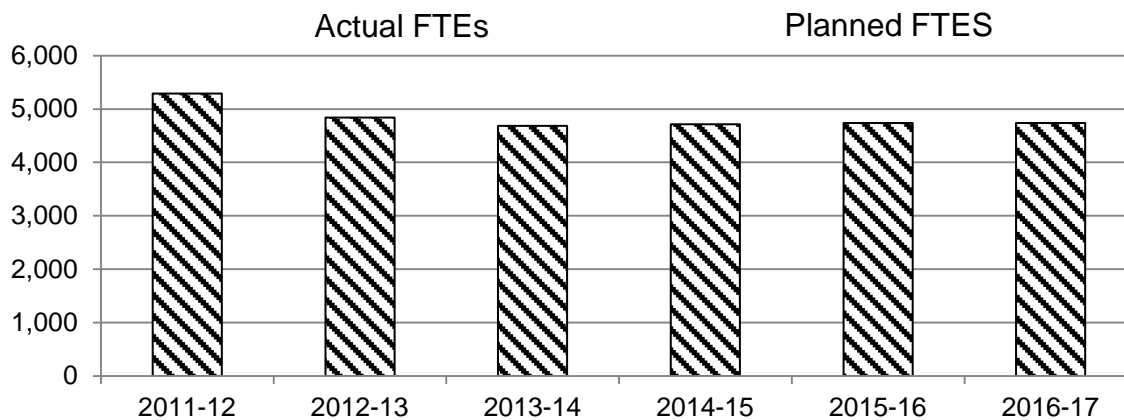


*A shadowed section is included to illustrate the portion of funding in Total Spending that relates to sunset programs.

Departmental Spending Trend (\$ millions)

	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17
Spending	1,446.7	1,357.6	1,115.5	710.5	710.5	710.5
Sunset Programs	0	0	0	419.0	380.5	386.7
Total	1,446.7	1,357.6	1,115.5	1,129.5	1,091.0	1,097.2

Departmental Human Resource Trend (Full-Time Equivalents—FTEs)



Expenditure Profile Explanation

The change in spending since 2011–12 is largely due to the completion of stimulus funding from the 2009 Economic Action Plan and changes announced in Budget 2012. Changes in total planned spending in 2014–15 and future years reflect ongoing savings achieved through improved efficiency, and consolidation of program and office functions.

Estimates by Vote

For information on Industry Canada’s organizational Votes and statutory expenditures, consult the [*Public Accounts of Canada 2014*](#) on the Public Works and Government Services Canada website.³

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: The Canadian marketplace is efficient and competitive

Industry Canada fosters competitiveness by developing and administering economic framework policies that promote competition and innovation, support investment and entrepreneurial activity, and instil consumer, investor and business confidence in the marketplace.

Program—Marketplace Frameworks and Regulation

Description

Industry Canada is responsible for the oversight and regulation of a number of aspects of the Canadian marketplace, including bankruptcy, foreign direct investment, federal incorporation, intellectual property and trade measurement. To deliver its mandate, Industry Canada, through this program, administers framework statutes, regulations, policies and procedures; develops, sets and assures compliance with standards; performs reviews; and holds meetings with a variety of stakeholders. Overall, the program benefits Canadians by ensuring the integrity of the marketplace.

Budgetary Financial Resources—Marketplace Frameworks and Regulations (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
56,648,225	56,648,225	220,871,835	47,207,056	(9,441,169)

Human Resources (Full-Time Equivalents—FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1,775	1,713	(62)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Regulatory time frames and service standards are met	Average percentage of regulatory timeframes or service standards met	91%	96%
Canadian marketplace frameworks and regulations are effective by international standards	Canada's rank among G7 nations in effectiveness of marketplace frameworks and regulations for starting a business, impact of rules on foreign investment, and intellectual property	3rd	2nd*

* This result is an aggregate of three different rankings related to starting a business, the impact of rules on foreign investment, and intellectual property.⁴

Performance Analysis—Marketplace Frameworks and Regulation

In 2013–14, Industry Canada continued its work to protect Canadian consumers and to support Canadian businesses.

The Department worked toward implementing the *Fairness at the Pumps Act* and associated regulatory amendments, including establishing mandatory measuring device inspection frequencies and administrative monetary penalties.

As part of an ongoing initiative to make its services more accessible, the Department began offering more online services for federal not-for-profit corporations and continued to expand the reach of the NUANS tool.

Industry Canada also continued its work on investment review, conducting reviews of applications from foreign investors and implementing legislative amendments to the *Investment Canada Act*.

The Department continued to update the Intellectual Property (IP) framework. Key international IP treaties that will make it easier for Canadian firms who want to enter global markets, as well as reduce barriers for foreign firms who want to register their IP in Canada, were tabled in January 2014.

The Department also launched public consultations on Canada's insolvency regime, and conducted consultations on corporate governance.

In the area of internal trade, Industry Canada participated in an Internal Trade Symposium, which produced a 12-point plan to address challenges faced by federal, provincial and territorial governments. This has resulted in *One Canada, One National Economy: Modernizing Internal Trade in Canada*, the federal proposal to update the current Agreement on Internal Trade. This proposal outlines two potential paths for

federal, provincial and territorial partners to advance a modern internal trade framework: targeted reform that addresses priority areas of concern or a complete redesign of the Agreement on Internal Trade to bring it in line with recent international trade agreements. In addition, Budget 2014 announced the launch of an Internal Trade Barriers Index to prioritize areas where we need to make progress.

The Total Authorities Available for Use figure for this program includes the Canadian Intellectual Property Office's (CIPO) unused authority of \$173.6 million, which represents the surplus accumulated since CIPO's creation in 1994, as well as its deferred revenues. The intent is not to spend the accumulated surplus portion in any single year, but to draw from it when needed.

The difference between Actual and Planned Spending under the Marketplace Frameworks and Regulations program is mainly the result of net requirements for CIPO being lower than expected. Further information is available in the sub-program section below.

Sub-Program—Trade Measurement

Description

Measurement Canada, a special operating agency, ensures the integrity and accuracy of goods and services bought and sold on the basis of measurement in Canada. It protects Canadians against financial loss due to inaccurate measurement and maintains consumer and business confidence in measurement-based financial transactions (trade measurement) by ensuring that devices (e.g., scales, gas pumps, and electricity and natural gas meters) used in Canada meet legislative standards for accuracy and performance. Measurement Canada investigates measurement practices in the Canadian marketplace and compels institutions to take corrective actions when unfair practices are found.

Budgetary Financial Resources—Trade Measurement (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
30,861,762	32,742,634	1,880,872

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
269	280	11

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Accurate trade measurement in Canada	Percentage of marketplace monitoring inspections where devices are found to be measuring accurately	85%	88%
	Percentage of Measurement Canada product and surveillance audits which confirm authorized service providers' competencies to conduct inspections on the agency's behalf	90%	94%

Performance Analysis—Trade Measurement

In 2013–14, Industry Canada continued to protect Canadians against financial loss due to inaccurate measurement and to help ensure public confidence in measurement-based transactions.

Targets were exceeded both for the percentage of devices found to be measuring accurately and the percentage of audits confirming authorised service providers' competencies to conduct inspections on Measurement Canada's behalf. In the first case, although the result is unchanged from the previous year, compliance improvements continued to be achieved in some sectors, including the fishing, fruits and vegetables, waste collection and disposal, and precious metals and stones sectors.

In 2013–14, Industry Canada continued its work toward introducing mandatory measuring device inspection frequencies in eight initial marketplace sectors. These sectors include the retail and downstream petroleum, mining, grain and field crop, dairy, forestry, retail food and fishing sectors.

The changes introduced through the new regulations will ensure Canadian consumers are better protected against unfair retailer practices and can be more confident in everyday transactions that involve measurement. Furthermore, these regulations will enable Industry Canada to increase business accountability for the accuracy of gas pumps, scales and other measuring devices.

The Department also revised the Measurement Canada website to inform device owners of the new requirement for mandatory inspections.

The difference between Actual and Planned Spending reflects in-year costs related to compensation adjustments and pay list requirements to meet the legal obligations of the employer (e.g. parental leave).

Sub-Program—Bankruptcy and Insolvency

Description

For the benefit of investors, lenders and consumers and in the public interest, the Office of the Superintendent of Bankruptcy supervises the administration of estates and matters under the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*. It provides leadership in protecting the integrity of the bankruptcy and insolvency system by maintaining an efficient and effective insolvency regulatory framework; promoting awareness of the rights and responsibilities of stakeholders; ensuring trustee and debtor compliance with the legislative and regulatory framework through the supervision of debtors and of trustees administering estates; and being an integral source of information on Canadian insolvency matters.

Budgetary Financial Resources—Bankruptcy and Insolvency (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
5,344,365	8,664,554	3,320,189

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
380	383	3

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Estates are supervised and administered in accordance with insolvency legislations	Percentage of trustees with a satisfactory compliance rating: A or B on a range of A-D	90%	93.7%
	Percentage of debtors with surplus income who completed payments to the estate as required	80%	88.1%

Performance Analysis—Bankruptcy and Insolvency

Industry Canada continued to provide leadership in protecting the integrity of Canada's bankruptcy and insolvency system through Office of the Superintendent of Bankruptcy (OSB).

In 2013–14, the OSB initiated an information technology transformation to generate operational efficiencies. As part of this project, the OSB standardized work processes for its complaints and enquiries and updated its information technology systems.

This program is funded by user fees. The amounts above reflect only the portions not covered by these fees, specifically, expenditures related to employee benefit plan costs, which are managed by the Treasury Board Secretariat. The difference between Actual and Planned Spending reflects in-year costs related to compensation adjustments and pay list requirements to meet the legal obligations of the employer (e.g. parental leave).

Sub-Program—Federal Incorporations

Description

This program allows Canadians and businesses to incorporate at the federal level in accordance with Canada’s laws, such as the *Canada Business Corporations Act*, the *Canada Corporations Act*, the *Boards of Trade Act* and the *Canada Cooperatives Act* (with the exception of financial institutions). It also issues and registers official documents under the Great Seal of Canada. The program’s main lines of business include incorporation and related services (such as amalgamation or corporate charter amendments), the dissolution of corporations, rulings on the use of corporate names, the collection and dissemination of information on federal companies, and compliance and enforcement activities related to the statutes it administers. The program’s activities mostly affect Canadian businesses, not-for-profit organizations and other corporate entities.

Budgetary Financial Resources—Federal Incorporations (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
1,146,577	2,388,137	1,241,560

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
79	82	3

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Federally incorporated companies are compliant with corporate laws and regulations	Percentage of federally incorporated corporations that comply with statutory annual filing requirements	80%	83%
Businesses have timely access to incorporations and information services	Percentage of published Corporations Canada service standards that are met or exceeded	95%	98%
Corporations Canada key services are available/delivered to businesses electronically	Percentage of transactions for key services completed online	Certificates of Incorporation: 96% Results of Annual Returns: 89%	Certificates of Incorporation: 99% Results of Annual Returns: 95%

Performance Analysis—Federal Incorporations

As part of ongoing efforts to make Government of Canada services more accessible to Canadian businesses, online incorporation and filing services were implemented for federal not-for-profit corporations in 2013–14. These corporations can now benefit from lower incorporation fees and faster service. Since the release of online services, over 72 percent of not-for-profit incorporations have been completed online and this percentage continues to increase.

Industry Canada continued discussions with the provinces to expand the use of NUANS, which provides a one-stop name search service to the Canadian business community.

This program is funded by user fees, which remain unchanged in 2014-15. The amounts above reflect only the portions not covered by these fees, specifically, expenditures related to employee benefit plan costs, which are managed by the Treasury Board Secretariat. The difference between Actual and Planned Spending reflects funding received each year in Supplementary Estimates for royalties collected from NUANS in the previous year.

Sub-Program—Investment Review**Description**

The *Investment Canada Act* provides for the review of significant investments in Canada by non-Canadians in a manner that encourages investment, economic growth and employment opportunities in Canada and to provide for the review of investments that

could be injurious to national security. This program implements the provisions of the Act by ensuring that the Minister of Industry has the information needed to determine whether an investment is likely to be of net benefit to Canada or whether there are reasonable grounds to believe that an investment could be injurious to national security. This is accomplished by processing notifications filed by investors and reviewing transactions to ensure their compliance with the Act.

Budgetary Financial Resources—Investment Review (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
1,141,191	1,538,083	396,892

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
12	12	-

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Timely processing of foreign investment notifications and applications for review filed by foreign investors under the <i>Investment Canada Act</i>	Median time required to certify notifications	5 days	3 days
	Median time required to process applications	70 days	79 days

Performance Analysis—Investment Review

One of Industry Canada’s priorities for 2013–14 was to optimise the application of Canada’s foreign investment review process to ensure continued benefits for all Canadians.

While the Department met its target for the median time required to certify notifications in 2013–14, the target for the median time required to process applications was not met. This was due to the increasing complexity of applications filed under the Act.

In 2013–14, Industry Canada received and certified 655 notifications filed by foreign investors.

The Department also provided the Minister with the information required to make his determination of the likely net benefit to Canada of proposed investments. In 2013–14, the Minister approved 11 applications for review.

The difference between Actual and Planned Spending reflects internal reallocations to meet program requirements.

Sub-Program—Intellectual Property

Description

This program administers Canada’s system of intellectual property (IP) rights, namely patents, trademarks, copyrights, industrial designs and integrated circuit topographies. The Canadian Intellectual Property Office (CIPO) grants and registers IP rights, legally recognizing certain endeavours of originality and creativity. It also disseminates information related to these rights to businesses, educational institutions and Canadians. CIPO’s role is to ensure that IP contributes to an acceleration of Canadian economic development and that the benefits of the IP system accrue to Canadians. This program is entirely financed through a revolving fund and is fully cost recovered from client fees. Its clients include foreign and Canadian applicants for IP protection, users of IP information and the Canadian business community.

Budgetary Financial Resources—Intellectual Property (dollars)

2013–14 Planned Spending*	2013–14 Actual Spending**	2013–14 Difference (actual minus planned)
17,604,330	1,536,148	(16,068,182)

* Planned Net Spending.

** Actual Net Spending.

Human Resources (Full-Time Equivalent—FTE)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1,035	956	(79)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Timely administration of intellectual property rights	Average number of months taken from the Submission Date to the Registration / Grant of intellectual property files*	Industrial Design Filings: 12 months and 3 days	12 months and 18 days
		Patent Filings: 50 months and 27 days	42 months and 21 days
		Trademark Filings: 27 months and 6 days	27 months
Use of intellectual property by Canadians**	Number of intellectual property filings in Canada by Canadians	Industrial Design filings: 710	847
		Patent filings: 5,040	4,709
		Trademark filings: 20,040	21,741
	Number of intellectual property filings outside of Canada by Canadians	Industrial Design filings: 1,480	1,626
		Patent filings: 16,610	21,211
		Trademark filings: 10,990	12,770

* Where submission date is the equivalent to the date a file is received at CIPO for Industrial Design and Trade-mark files and is equivalent to the Request for Examination date for Patent files.

** The results presented are generated by the World Intellectual Property Organization (WIPO) and are for the 2012 calendar year only. Results for 2013 will be presented in the next DPR once data is available in late 2014.

Performance Analysis—Intellectual Property

Through the Canadian Intellectual Property Office, Industry Canada continued to protect innovators by granting and registering intellectual property (IP) rights.

In June 2013, Industry Canada tabled a response to the report of the Standing Committee on Industry, Science and Technology. As part of the response, key international IP treaties were tabled in January 2014 that will make it easier for Canadian firms who want to enter global markets and reduce barriers for foreign firms who want to register their IP in Canada.

As a first step, the Parliamentary Secretary to the Minister of Foreign Affairs tabled the following five IP treaties on January 27, 2014: Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, Singapore Treaty on the Law of Trademarks, Patent Law Treaty, Hague Agreement Concerning the International Registration of Industrial Designs and Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. Subsequently, the federal government indicated, as part of the Economic Action Plan 2014, its intent to propose the legislative amendments to the *Patent Act*, the *Trade-marks Act* and the *Industrial Design Act* required for ratifying or acceding to these five treaties.

For innovators, the benefits of these treaties will include obtaining trademark or industrial design protection in several countries with just one application; simpler, harmonized procedures to apply for trademarks; and standard international procedures for patent applications, resulting in lower costs and reduced risk of errors.

Two regulatory packages were published in the Canada Gazette Part II. One package harmonized and enhanced the qualification process for IP agents and the other closed a procedural gap at the Patent Appeal Board by providing for a clear, efficient and comprehensive review of rejected patent applications.

CIPO is a revenue generating organization with a revolving fund. The figures in the financial resources table above represent the net spending for CIPO, which is the difference between expenses and revenues. The difference between Actual and Planned Spending mainly reflects lower than expected expenditures. CIPO revenues from operations were \$2.1 million higher than planned, and the associated expenses were \$14.2 million lower than originally expected.

Sub-Program—Internal Trade Secretariat

Description

The Agreement on Internal Trade (AIT) is an intergovernmental trade agreement signed by Canadian First Ministers; it came into force in 1995. The purpose of the AIT is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services and investment within Canada and to establish an open, efficient and stable domestic market. The Internal Trade Secretariat provides administrative and operational support to the Committee on Internal Trade, to its Chair and to other

committees or working groups established under the AIT or by the committee. It works closely with government officials to ensure the effective implementation of the AIT. The Secretariat supports the Committee on Internal Trade in preparing the reports, compiling and disseminating information from parties and ensuring appropriate support for the dispute resolution process. As a neutral third party, the Secretariat has facilitated ongoing negotiations to broaden and deepen the scope of the AIT. The work requires close and continuous contact with federal, provincial and territorial governments to facilitate the smooth and effective operation of the committees and working groups. The Secretariat plays an important role in assisting parties to fully implement the AIT, to pursue negotiations mandated by the AIT and to meet their outstanding obligations under the AIT. All parties share the Secretariat's operating costs. The federal government's share of the Secretariat's budget is 50 percent, which is paid by Industry Canada through a grant.

Budgetary Financial Resources—Internal Trade Secretariat (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
550,000	337,550	(212,500)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
-	-	-

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
The Internal Trade Secretariat provides high-quality administrative support to the Committee on Internal Trade	Average score out of 10 of stakeholder satisfaction with the services provided by the Internal Trade Secretariat on federal stakeholder interviews	8	10 (from 2011)

Performance Analysis—Internal Trade Secretariat

The Internal Trade Secretariat supports the Committee on Internal Trade, working with government officials to ensure the implementation of the Agreement on Internal Trade. As no evaluation of the Internal Trade Secretariat was conducted during the past year, there is no recent performance data available for this sub-program.

In 2013–14, the department supported the Minister of Industry in his role as Chair of the Committee on Internal Trade and facilitated the development of a renewed federal/provincial/territorial (FPT) internal trade agenda. An Internal Trade Symposium in June 2013 took stock of the internal trade challenges faced by governments, resulting

in a final symposium report developed by the Public Policy Forum, which identifies a 12-point plan to address these challenges. This report facilitated discussions between ministers on a fundamental rethink on internal trade at the annual Committee on Internal Trade meeting in the fall of 2013. This report also led Industry Canada to conduct a national dialogue with Canadian businesses, workers and consumers, which led to the development of *One Canada, One National Economy: Modernizing Internal Trade in Canada*, the federal proposal to update the current *Agreement on Internal Trade*.⁵ This proposal will provide more choice to consumers, fewer costs and greater growth for businesses, and greater opportunities for workers. In addition, Budget 2014 announced the launch of an Internal Trade Barriers Index to prioritize areas where we need to make progress.

Two tracks of complementary activities are now underway to make progress on internal trade: one working multilaterally with FPT governments and one exercising leadership by advancing federal initiatives and working with willing provinces and territories.

Planned Spending represents the maximum amount payable to the Internal Trade Secretariat; Actual Spending is based on costs incurred by the Secretariat during the year to support the Committee on Internal Trade.

Program—Spectrum, Telecommunications and the Online Economy

Description

This program enables Canadians to benefit from a globally competitive digital economy that drives innovation, productivity and future prosperity. This includes developing and administering domestic regulations, procedures and standards that govern Canada's radiocommunication and telecommunications industries. The program sets legislative and policy frameworks to encourage competition, private sector investment in world-class digital infrastructure, confidence in the online marketplace and greater adoption of digital technologies by business. The program maximizes the public benefits of spectrum by managing it efficiently and effectively, and promotes global telecommunications through the development of international treaties and agreements. International online trade and commerce is facilitated through participation in international bilateral and multilateral forums.

Budgetary Financial Resources—Spectrum, Telecommunications and the Online Economy (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
82,684,445	82,684,445	105,974,606	104,364,290	21,679,845

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
665	637	(28)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Canada's radiocommunication and telecommunications infrastructure is governed by an effective policy and regulatory framework	Percentage of Canadian radiocommunication and telecommunications objectives/proposals represented in international agreements, standards and negotiations at international fora	90%	90%

Performance Analysis—Spectrum, Telecommunications and the Online Economy

In 2013–14, Industry Canada continued to support the growth of the digital economy in Canada.

The Department auctioned the 700 MHz radio spectrum band in January and February 2014. All winning bidders, including Canada's largest wireless companies, secured spectrum to deliver the next generation of wireless services to their customers. A fourth wireless provider obtained spectrum in every region of the country, delivering on the government's commitment to encourage more competition in Canada's wireless industry.

Industry Canada also published the licensing framework for the 2500 MHz spectrum band, with the auction scheduled to take place in April 2015.

Industry Canada continued to modernize its Spectrum Management Information Technology System to ensure that the Department meets the needs of Canadian telecommunications consumers and businesses.

In collaboration with telecommunications service providers, the Department also continued work in the area of cyber security, such as the publication of a guide, the *Security Best Practices for Canadian Telecommunications Service Providers*.⁶ The Department also worked to ensure that international standards on cyber security and privacy reflect Canadian interests.

The difference between Actual and Planned Spending is mainly due to a change in the requirements for the Spectrum Management and Telecommunications sub-program. Further information is available in the sub-program section below.

Sub-Program—Spectrum Management and Telecommunications

Description

The goal of this program is to ensure the orderly and secure evolution of Canada's radio spectrum and telecommunications infrastructure through the development of a coherent regulatory framework, promotion of competition, establishment of sufficient regulation, enforcement of domestic and international requirements, and negotiation and promotion of international standards and treaties. This provides Canadian industries with the favourable conditions they need to develop, introduce and market leading technologies and services. The radio spectrum is a finite resource and can accommodate only a limited number of simultaneous users. Management of the radio spectrum requires careful planning to maximize its value for public and private services. This is achieved through the development and implementation of operational policies, procedures, processes, technical standards and international treaties. The program also provides for an assessed annual contribution to the International Telecommunication Union (ITU), in which Canada participates as a Member State. Canada participates in ITU meetings to influence the Union's direction and decision making in support of Canadian interests. Another goal of this program, which has the lead role for emergency telecommunications in Canada, is to make telecommunications services accessible to Canadians and to ensure that the public derives maximum benefit from their use.

Budgetary Financial Resources—Spectrum Management and Telecommunications (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
76,690,970	99,233,488	22,542,518

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
633	611	(22)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Canadians have timely access to radio frequency spectrum	Percentage of licence applications completed within service standards	90%	97.8%*
	Percentage of radiocommunication interference investigations completed within service standards	90%	97.1%

* Service standards were introduced under the new Satellite Licensing Framework as of January 6, 2014. Two applications were received and both were processed within the standard of 45 days. These applications are not reflected in the result.

Performance Analysis—Spectrum Management and Telecommunications

Industry Canada remains committed to supporting the growth of the Canadian digital economy. In 2013–14, the Department exceeded its targets for the percentage of spectrum licence applications and the percentage of radiocommunication interference investigations completed within the service standard.

As part of the Department’s mandate to provide Canadians with timely access to radio spectrum frequency, the 700 MHz radio spectrum band was auctioned in January and February 2014, generating revenue of \$5.27 billion, the highest return ever for a wireless auction in Canada. This spectrum travels longer distances, requires fewer cell towers and penetrates through building walls, elevators, and even through to underground parking lots. Ten Canadian companies competed over five weeks and 97 licences were awarded to eight companies. All winning bidders, including Canada's largest wireless companies, secured spectrum to deliver the next generation of wireless services to their customers. A fourth wireless provider obtained spectrum in every region of the country, delivering on the government's commitment to encourage more competition in Canada's wireless industry.

In preparation for the 2500 MHz band auction, the *Licensing Framework for Broadband Radio Service (BRS) — 2500 MHz Band*⁷ was published in January 2014. The auction will begin on April 14, 2015.

Industry Canada implemented a new satellite licensing regime, featuring first-come, first-served and revised public benefit obligations. The modernized framework aims to maintain Canada’s competitiveness and support the provision of satellite services across Canada.

Industry Canada continued to develop and issue new standards pertaining to a broad range of issues, including the utilization of 700 MHz and 2300 MHz bands, TV white

space devices and 2500 MHz equipment, radio frequency exposure, and equipment labelling.

The Department developed Canadian positions and proposals in preparation for international treaty-binding conferences held by the International Telecommunication Union. Industry Canada also completed negotiations for three administrative agreements with the United States for cross-border coordination of radiocommunication services, and concluded and implemented the APEC-TEL Mutual Recognition Agreement (MRA) with Vietnam, which will assist Canadian industry in accessing other markets in the radiocommunication and telecommunication sectors.

The Department continued work on the project to replace and modernize the legacy Spectrum Management Information Technology System. In May 2013, the release of service lines for spectrum licensing, broadcasting, and equipment certification was initiated, with implementation expected to begin in November 2014.

The difference between Actual and Planned Spending reflects Industry Canada's \$8 million expenditure on the \$9 million wireless policy advertising campaign, as well as \$9 million for the project to modernize the IT system used for spectrum management and other spectrum management equipment. Actual Spending also included in-year costs related to compensation adjustments and pay list requirements to meet the legal obligations of the employer (e.g. parental leave).

Sub-Program—Electronic Commerce

Description

This program strengthens Canadians' confidence in the marketplace by protecting individual privacy and curbing Internet threats. The successful integration of e-business into the Canadian economy is dependent on the level of trust and confidence businesses and consumers have in the digital environment. This program clarifies marketplace rules through the development of legal and policy frameworks in the areas of privacy protection, online security and appropriate Internet content, and removes barriers to the use of e-commerce in conjunction with the private sector. To improve market efficiency, the program promotes the conduct of e-business across all sectors of the economy and helps facilitate online trade and commerce internationally through the sharing of best practices and international benchmarking.

Budgetary Financial Resources—Electronic Commerce (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
5,993,475	5,130,802	(862,673)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
32	26	(6)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Privacy and security of personal information and online trade and commerce are protected	Percentage of Canadians who cite privacy or security concerns as a reason for not using the Internet	0%	1.3% ⁸

Performance Analysis—Electronic Commerce

In collaboration with Public Safety Canada and telecommunications service providers, Industry Canada worked to implement the telecommunications-related objectives of the Cyber Security and Critical Infrastructure Strategies in 2013–14. The first version of the *Security Best Practices for Canadian Telecommunications Service Providers* guide was published on March 6, 2014. The Department also contributed to the development of international standards addressing cyber security and privacy concerns (identity management, cyber security information exchange, network security guidelines, and cyber security guidelines and best practices), ensuring they aligned with Canadian interests.

As part of the implementation of Canada's Anti-Spam Legislation, Industry Canada finalized the Electronic Commerce Protection Regulations, which were published in the Canada Gazette on December 18, 2013. The regulations include clarifications of key terms and exemptions for legitimate business activities. The Act came into force on July 1, 2014.

Industry Canada also worked to prepare for the introduction of the Digital Privacy Act on April 8, 2014. The Act will amend the *Personal Information Protection and Electronic Documents Act* (PIPEDA) to update how businesses collect, use and disclose personal information. The Act will increase protection for Canadians when they surf the web and shop online, and increase Canadians' awareness of when their personal information may be put at risk or compromised.

The difference between Actual and Planned Spending reflects internal reallocations between programs during the year.

Program—Consumer Affairs**Description**

This program gives consumers a voice in the development of government policies and enables them to be effective marketplace participants. It is part of the Department's consumer affairs role under the *Department of Industry Act*, which directs the Minister to promote the interests and protection of consumers. Through research on and analysis of marketplace issues, the program supports both policy development and the intergovernmental harmonization of consumer protection rules and measures. It contributes to effective consumer protection through collaboration with provincial and territorial consumer protection agencies under Chapter 8 of the Agreement on Internal Trade and with other governments through the Organisation for Economic Co-operation and Development's Consumer Policy Committee. Industry Canada, through this program, identifies important consumer issues and develops and disseminates consumer information and awareness tools. These consumer protection information products and tools are developed either by the program itself or in collaboration with other consumer protection agencies. Finally, the program provides financial support to not-for-profit consumer and voluntary organizations through the Contributions Program for Non-profit Consumer and Voluntary Organizations. The purpose of this support is to encourage the organizations to reach financial self-sufficiency and to assist them in providing meaningful, evidence-based input to public policy in the consumer interest.

Budgetary Financial Resources—Consumer Affairs (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
4,536,406	4,536,406	4,816,683	4,665,036	128,630

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
20	21	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Citizens are aware of consumer issues in the Canadian marketplace	Number of visitors accessing information products on websites managed by the Office of Consumer Affairs	1.2 million	1.2 million
Policymakers are aware of consumer issues in the Canadian marketplace	Number of instances per year where consumer research and/or analysis contributes to consumer policy discussions	3	4
	Number of instances per year where research and analysis performed by consumer organizations supported by the Office of Consumer Affairs' Contributions Program for Non-Profit Consumer and Voluntary Organizations contribute to policy discussions or media coverage	12	14

Performance Analysis—Consumer Affairs

In 2013–14, Industry Canada continued its work to protect Canadian consumers, meeting all of its targets for this program.

Working with the Consumer Measures Committee, Industry Canada organized a meeting of federal/provincial/territorial Consumer Deputy Ministers in September 2013. A five-point plan of new work was developed that covers the following issues: data sharing, enforcement and compliance, payday lending, consumer awareness and small consumer disputes.

Following the December 4, 2013 announcement of the coming-into-force date of Canada's Anti-Spam Legislation,⁹ the Department worked to communicate the new legislative requirements, focusing particularly on small and medium-sized enterprises.

The October 2013 Speech from the Throne introduced the Consumers First Agenda. Throughout the year, the Department undertook a number of activities to ensure that Canadian consumers' interests are protected on a day-to-day basis. Much of this work is described throughout this document, as many initiatives fell under program areas other than Consumer Affairs. This included support for the Government of Canada's Budget 2014 commitment to address geographic price discrimination, legislation to amend the *Telecommunications Act*, and legislative amendments to provide the Canadian Radio-television and Telecommunications Commission (CRTC) the authority to impose Administrative Monetary Penalties (AMPs).

Program—Competition Law Enforcement

Description

The objectives of this program are to maintain and encourage competition to achieve a number of objectives, including promoting the efficiency and adaptability of the Canadian economy and protecting competitive markets. This program also promotes equitable opportunities for businesses to participate in the Canadian economy to provide consumers with competitive prices and product choices. The Competition Bureau, an independent law enforcement agency, is responsible for the administration and enforcement of the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act*. It seeks to ensure that businesses and individuals conform with the legislation under its jurisdiction through negotiated settlements, consent agreements and, where appropriate, prosecuting anti-competitive conduct through litigated proceedings. It protects competitive markets by detecting, disrupting and deterring anti-competitive conduct. The Competition Bureau encourages reliance on market forces. It provides advice to government legislators and policy-makers and intervenes and/or makes representations before federal and provincial boards, commissions and tribunals, to encourage competition as a means of achieving policy or regulatory objectives.

Budgetary Financial Resources—Competition Law Enforcement (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
44,242,595	44,242,595	48,880,925	47,114,308	2,871,713

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
372	361	(11)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Reduction in anti-competitive behaviour	Estimated dollar savings per annum to consumers from Bureau actions that stop anti-competitive activity	\$515 million	\$572.1 million

Performance Analysis—Competition Law Enforcement

In 2013–14, the Competition Bureau (Bureau) continued to promote competition in the Canadian marketplace and to protect competitive markets. The Bureau’s performance target for 2013–14 was surpassed as a number of matters were concluded during the year.

The Bureau focused its enforcement and compliance efforts on protecting and promoting the interests of Canadians. Examples of these efforts include:

- a \$30 million fine – the largest in Canadian history – levied against a Japanese supplier for its part in an international bid-rigging cartel involving motor vehicle components;
- criminal charges laid against four companies and three individuals for conspiring to fix the price of chocolate confectionery products in Canada;
- a consent agreement with four major publishers to remove or amend clauses in their distribution agreements with individual ebook retailers, which will allow retailers to offer discounts on ebooks;
- an investigation which uncovered evidence of a telemarketing scheme in which a Montreal company deceived businesses in the United States into paying for business directory listings they had not ordered; and
- a consent agreement with Sobeys Inc. to remedy competition concerns related to its acquisition of Canada Safeway, requiring the divestiture of 23 stores to preserve competition for the retail sale of groceries in western Canada.

The Bureau also launched a Whistleblowing Initiative. This initiative is a way for members of the public to provide information to the Bureau regarding possible violations of the criminal cartel provisions of the *Competition Act*.

Also in 2013–14, the Bureau coordinated a joint internet sweep by members of the International Consumer Protection and Enforcement Network targeting misleading and inadequate information disclosure in the content of children’s online games and applications. The goal of the sweep was to increase awareness of how vulnerable children can be when exposed to misleading and inadequate information disclosure in the content of online games and applications.

The Bureau continued its international efforts in strengthening relationships with key international counterparts by contributing to discussions of the Organisation for Economic Co-operation and Development (OECD) Competition Committee on topics such as information sharing, cartel detection and generic pharmaceuticals. The Bureau also participated in the OECD Latin American Competition Forum.

The difference between Actual and Planned Spending is due to in-year costs related to compensation adjustments and pay list requirements to meet the legal obligations of the employer (e.g. parental leave).

Section II: Analysis of Programs by Strategic Outcome (continued)

Strategic Outcome: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy

Industry Canada invests in science and technology to generate knowledge and equip Canadians with the skills and training they need to compete and prosper in the global knowledge-based economy. These investments help ensure that discoveries and breakthroughs happen here in Canada and that Canadians can realize the social and economic benefits that result.

Program—Science, Technology and Innovation Capacity

Description

This program supports the Minister of Industry and the Minister of State (Science and Technology) in their science, technology and innovation responsibilities. It sets the strategic direction for the policies and programs that support and stimulate research, development and innovation in Canada. In collaboration with portfolio partners, other government departments and external stakeholders from the private and public sectors, the program fosters an environment that is conducive to innovation and promotes scientific excellence.

Budgetary Financial Resources—Science, Technology and Innovation Capacity (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
300,804,369	307,804,369	293,158,433	210,195,969	(97,608,400)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
84	75	(9)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results*
Canada's Science and Technology capacity is developed	Canada's rank among G7 countries in Higher Education Expenditure on R&D (HERD) as a percentage of gross domestic product	1st	1st
Researchers are attracted to Canada, and retained	Total full-time equivalent researchers in Canada	140,000	157,360
	Total full-time equivalent researchers in Canada per thousand total employment	8.3	8.9

* The most recent available figures are from 2011.

Performance Analysis—Science, Technology and Innovation Capacity

In the latest figures available (OECD Main Science and Technology Indicators 2014–15, June 2014), Canada ranked first among G7 countries in Higher Education Expenditures on Research and Development, expressed as a share of Gross Domestic Product. The number of full-time equivalent researchers stood at 157,360, or 8.9 total full-time researchers per thousand people employed. The number of full-time equivalent researchers exceeded the target by 12.4 percent.

This program sets the strategic direction for the policies and programs that support and stimulate research, development and innovation in Canada. The Department continues to concentrate on streamlining the federal suite of programs that support innovation to make them more accessible for businesses. Industry Canada prepared a discussion paper to engage stakeholders in a public consultation process for a renewed Science, Technology and Innovation Strategy.

The differences between Actual and Planned Spending and Actual and Planned FTEs mainly reflect a reprofiling of funds to future years, including \$21.7M for Genome Canada to accommodate revised project timelines and \$81.7M for the Canada Foundation for Innovation to align with the timing of advanced research infrastructure projects.

Sub-Program—Government Science and Technology Policy Agenda

Description

This program supports science, technology and innovation (ST&I) and aims to improve Canada's research and development capacity and excellence by developing and formulating policy frameworks to position ST&I in the context of broader government policy. It also develops specific policies and programs to support highly qualified people, the direct and indirect costs of higher education research and research infrastructure. This is accomplished through partnerships with various stakeholders including other

government departments (particularly science-based departments and agencies); through consultation with private sector stakeholders, universities and colleges and their associations, and provincial governments; and through international forums and collaborative relationships. This program also supports the activities of the Science, Technology and Innovation Council (STIC). STIC is an independent advisory body that provides the Government of Canada, through the Minister, with external policy advice on ST&I issues. STIC regularly produces national reports measuring Canada's ST&I performance against international standards of excellence. STIC's advice helps inform government policy development and decision making.

Budgetary Financial Resources—Government Science and Technology Policy Agenda (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
6,299,664	6,144,519	(155,145)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
49	43	(6)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Consultation and collaboration with the federal Science and Technology community and other key players on science and technology	Number of federal science-based departments and agencies involved in the implementation of the Science and Technology strategy	20	22
	Number of external organizations consulted to advance Canada's Science and Technology agenda	20	22
	Number of Science and Technology Advisory Committee Meetings and range of topics discussed	3	4
Broader understanding of science underpinning Science and Technology Policy	Number of Council of Canadian Academies Reports underway that provide a basis for Science and Technology Policy	12	15

Performance Analysis—Government Science and Technology Policy Agenda

The Department continued to promote horizontal coordination of science and technology policy as the co-chair of the interdepartmental Assistant Deputy Minister Committee on Science and Technology. In 2013–14, four meetings took place, which included 22 science-based departments and agencies, as well as central agencies, granting councils and regional development agencies.

The Department also consulted external stakeholder organizations to advance Canada's science and technology agenda. These included large and small companies, heads of major science initiatives, and organizations representing the higher education sector. In February 2014, stakeholders responded to the *Seizing Canada's Moment: Moving Forward in Science, Technology and Innovation* consultation paper.¹⁰ In addition to more than 250 unique submissions, discussions and roundtable meetings with stakeholders helped inform the ongoing development of the updated ST&I Strategy, a commitment made in Budget 2014.

Through participation in international and multilateral meetings and events, policy dialogues were pursued to advance collaboration and partnerships and to share best practices for developing effective innovation policies.

In 2013–14 the CCA worked on 15 assessments within its funding agreement with the Government of Canada, five of which were published in 2013–14.

Ongoing support of the Science, Technology and Innovation Council (STIC), an external advisory body established under the 2007 S&T Strategy, continued in 2013–14. STIC delivered its third State of the Nation report, *Canada's Science, Technology and Innovation System: Aspiring to Global Leadership*, in May 2013.

Sub-Program—Science and Technology Partnerships

Description

This program supports the effective and efficient implementation of science and technology programs delivered by the Department and its portfolio partners. This involves working closely with the federal granting councils within the Industry Portfolio (the Natural Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council of Canada) and managing the federal contributions and grants to centres of excellence and organizations including the Canada Foundation for Innovation, the Canadian Institute for Advanced Research, CANARIE Inc., the Council of Canadian Academies, Genome Canada, the Trudeau Foundation, the Perimeter Institute for Theoretical Physics, the Institute for Quantum Computing and the Ivey Centre for Health Innovation and Leadership.

Budgetary Financial Resources—Science and Technology Partnerships (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
301,504,705	204,051,450	(97,453,255)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
35	32	(3)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Science and Technology partnerships between industry and academia are created and sustained	Value in dollars of cash and in-kind industrial and other contributions leveraged through granting councils' Science and Technology industry partnership programs for which Industry Canada sits on governance bodies	1:1	2:1
	Number of companies involved in granting councils' Science and Technology industry partnership programs for which Industry Canada sits on governance bodies	200	367
Federal programs are in place to attract and retain highly qualified students and researchers	Number of students and researchers supported through granting councils' Science and Technology "people advantage" programs for which Industry Canada sits on governance bodies	3,460	3,241

Performance Analysis—Science and Technology Partnerships

Industry Canada continued to provide oversight of federal investments in arm's-length organizations whose mandates include encouraging public-private research partnerships and supporting the advancement of science, technology, knowledge and innovation in Canada. The Department participates in the governance bodies for the Centres of Excellence for Commercialization and Research (CECR), the Business-Led Networks of Centres of Excellence (BL-NCE), and the Automotive Partnerships Canada (APC). In 2013–14, these federal granting council programs attracted a total of \$2.10 in cash and in-

kind contributions for every dollar of federal funding and involved 367 companies in collaborative research projects. CECR has been particularly successful, attracting \$2.40 in cash and in-kind contributions for every dollar of federal funding and the involvement of 277 companies.

The Department is also member of the governance bodies for the granting councils' "people advantage" programs – the Vanier Canada Graduate Scholarships, Banting Post-doctoral Fellowships, Canada Research Chairs, Canada Excellence Research Chairs, and the Industrial Research and Development Internships. These programs supported a total of 3,241 students and researchers in 2013–14. The Department also worked with the federal granting councils and the Canada Foundation for Innovation (CFI) to create and launch the Major Science Initiatives 2014 Special Competition.

In 2013–14, evaluations were completed on the transfer payments to the Ivey International Centre for Health Innovation, the Institute for Quantum Computing, and the Canadian Institute for Advanced Research. For additional information on these evaluations, please refer to the reports available on the Industry Canada website.¹¹ The Department also led a review of APC to better understand its performance, relevance, and the lessons to be learned from this initiative.

The differences between Actual and Planned Spending and Actual and Planned FTEs reflect a reprofiling of funds to future years, including \$21.7 million for Genome Canada to accommodate revised project timelines and \$81.7 million for the CFI to align with the timing of advanced research infrastructure projects.

Program—Information and Communication Technologies Research and Innovation

Description

Through the Communications Research Centre Canada, this program conducts research on advanced telecommunications and information technologies to ensure an independent source of advice for public policy and to support the development of new products and services for the information and communication technologies (ICT) sector. Research projects involve a combination of in-house activities, tasks performed for other government departments on a cost-recovery basis, and partnerships with industrial and academic organizations. The research performed provides insight into future technologies, which assists Industry Canada in developing telecommunications policies, regulations and program delivery; improves other government departments' ICT-related decision making; and closes the innovation gap by transferring new technologies to Canadian industry.

Budgetary Financial Resources—Information and Communication Technologies Research and Innovation (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
34,817,205	34,817,205	40,864,257	37,793,377	2,976,172

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
239	227	(12)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Industry Canada policy making and program development sectors are provided with the scientific information they need to make well-informed decisions on new communications technologies	Number of new and emerging communications technologies for which the Communications Research Centre Canada has provided advice/input to Industry Canada for policy, standard and regulation development and for contributions to international forums (i.e., International Telecommunication Union)	10	10
Canadian government departments and agencies (Department of National Defence, Canadian Radio-television and Telecommunications Commission, Canadian Space Agency) are provided with the information they need to make well-informed decisions on new communications technologies	Level of funding received from other federal government departments to conduct research and testing on communications technologies	\$7.1 million	\$6.8 million
Canadian telecommunications companies realize industrial and economic benefits from Communications Research Centre Canada intellectual property and technology transfer	Intellectual Property revenue and contracting-in money received by the Communications Research Centre Canada	\$1.9 million	\$1.14 million

Performance Analysis—Information and Communication Technologies Research and Innovation

In 2013–14, the Communications Research Centre (CRC)¹² provided highly specialized advice on 10 new and emerging technologies in support of regulation and standards development. It also conducted expert research and testing of communications technologies for the Department of National Defence, Public Safety Canada and the National Research Council Canada, receiving \$6.8 million for these services. Project activities ranged from direct operational support and engineering, to aiding in the research, development and definition of future operational requirements for wireless communications systems and networks.

A total of \$1.14 million was received in 2013–14 in intellectual property revenue and from conducting research under contract for other entities. This revenue is decreasing as the CRC refocuses its research on supporting regulatory needs.

Program—Industrial Research and Development Financing

Description

This program helps Canadian businesses increase research and development (R&D) activities by investing in innovative projects through such measures as repayable contributions. Agreements normally specify which funding will come from the federal government and which from other sources. Projects are chosen based on their ability to generate strategic R&D investment, develop new technologies, and maximize Canadian innovation capacity and expertise.

Budgetary Financial Resources—Industrial Research and Development Financing (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
332,526,112	355,690,112	385,360,732	330,580,008	(25,110,104)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
78	74	(4)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Investment in leading-edge R&D in targeted Canadian industries	Dollar value of disbursements to firms for R&D activities	\$277.9 million	\$320.25 million
	Dollar(s) of investment leveraged per dollar of Industry Canada investments in R&D projects	\$2.92	\$3.12

Performance Analysis—Industrial Research and Development Financing

Through strategic support of research and development projects, Industry Canada has contributed to the advancement of Canada's innovation capacity and expertise. These

investments have stimulated economic growth as well as job creation and retention in Canada.

In 2013–14, \$3.12 of additional investment was leveraged for every dollar invested by Industry Canada in projects, including R&D, through these programs. The Automotive Innovation Fund leveraged \$6.60, the Strategic Aerospace and Defence Initiative (SADI) leveraged \$1.66, Technology Partnerships Canada (TPC) leveraged \$2.09, and since its inception the CSeries Program leveraged over \$4 per dollar of Industry Canada investment.

Industry Canada disbursed a total of \$320.25 million to firms for R&D activities in 2013–14. The Department disbursed \$182 million through SADI, \$81 million through the CSeries Program and \$1.21 million through TPC. Industry Canada also disbursed \$55.9 million to firms for R&D activities in the automotive sector.

The Technology Demonstration Program, a Budget 2013 commitment, was launched in September 2013. This program funds large-scale technology demonstration projects that typically require the integration of several different technologies and the coordination of the activities of many partners. This will bring together Canadian-based companies to promote the development of supply chains, as well as accredited Canadian universities and colleges or their affiliated research institutes to promote knowledge transfer. More information on this new program is provided below under the Industry-Specific Policy and Analysis sub-program (part of the Canadian businesses and communities are competitive Strategic Outcome).

The difference between Actual and Planned Spending relates to fluctuations in various transfer payment programs. For further information, please refer to the sub-program section below.

Sub-Program—Automotive Innovation

Description

The Automotive Innovation Fund was put in place to support the production of innovative, greener and more fuel-efficient vehicles by contributing to strategic, large-scale research and development (R&D) projects in the automotive sector. It provides support in the form of repayable contributions to automotive-related companies to fund transformative, innovative activities related to automotive engineering, R&D and manufacturing modernization to position the Canadian industry to lead in producing the cars of the future. This program also supports Canada's environmental agenda in advancing R&D and innovation to increase automobile fuel efficiency and reduce greenhouse gases. Through this program, Industry Canada considers funding proposals that provide for private sector investment in Canada of more than \$75 million over five years.

Budgetary Financial Resources—Automotive Innovation (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
45,272,199	56,932,223	11,660,024

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
4	5	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Enhanced capacity for the development of innovative, more fuel-efficient technologies in the Canadian automotive industry	Number of projects focusing on innovative fuel efficient technologies and processes	5	6
Leveraged leading-edge R&D in the Canadian automotive industry	Dollars of private sector investment leveraged per dollar of Automotive Innovation Fund investment	\$6	\$6.60

Performance Analysis—Automotive Innovation

Since the creation of the program in 2008, the AIF has generated \$2.3 billion in investments that support advanced, strategic research and development initiatives by Canada's automotive companies to bring innovative and more fuel-efficient vehicles to market. In 2013–14, the Department supported six projects focusing on innovative fuel efficient technologies and processes. An average of \$6.60 of private sector investment was leveraged per AIF investment dollar. In September 2013, Industry Canada committed \$71.6 million to Ford Motor Company of Canada (Ford) for Project Northern Star. This project will strengthen research and development at Ford's automotive assembly plant in Oakville, Ontario and transform it into a state-of-the-art global manufacturing facility.

The difference between Actual and Planned Spending reflects \$11.9 million that was received in 2013–14 Supplementary Estimates following the January 2013 announcement to renew the program for another five years, for a total of \$250 million.

Sub-Program—Aerospace Innovation**Description**

This program supports the research and development of new technologies for the next generation of fuel-efficient and safe commercial aircraft by encouraging and leveraging private sector investment. It enhances and maintains the technological base and capabilities of Canadian aerospace firms and encourages the growth of the Canadian pool of highly-qualified personnel in the commercial aircraft industry. To achieve this purpose, the program provides conditionally repayable contributions that support the research and development of new technologies within Canada.

Budgetary Financial Resources—Aerospace Innovation (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
55,665,507	81,326,808	25,661,301

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1	1	-

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Highly qualified positions in the aerospace research and development field are created	Number of R&D positions maintained and created as a result of this program	1,750	2,278

Performance Analysis—Aerospace Innovation

Industry Canada continued to support research and development on the next generation of fuel-efficient and safe commercial aircraft. As of December 31, 2013, a total of 2,278 research and development positions were maintained or created as a result of the Aerospace Innovation program. In September 2013, an important milestone was reached with the first test flight of the innovative CSeries aircraft that promises better fuel efficiency, reduced noise levels and lower operational costs. Firms throughout the Canadian aerospace industry will benefit from this innovation.

The CSeries Program under this sub-program was evaluated in 2013–14. The evaluation confirmed that this repayable contribution program addresses a demonstrable need for aerospace sector funding due to the sector's financial risks and the importance of the

economic benefits that the sector offers for Canadians. Additional information on the evaluation's assessment of relevance, as well as performance, is available on the Industry Canada website.

Funds for the Aerospace Innovation Program for fiscal year 2014–15 were reprofiled into fiscal year 2013–14 because of an increase in near-term program spending, resulting in the difference between Actual and Planned Spending in the table above.

Sub-Program—Strategic Aerospace and Defence Initiative

Description

The Strategic Aerospace and Defence Initiative (SADI) encourages the development of innovative products and services; enhances the competitiveness of Canadian aerospace, defence, space and security (A&D) firms; and fosters collaboration among research institutes, universities, colleges and the private sector. SADI is a component of the Government's Science and Technology strategy, which aims to mobilize Science and Technology to Canada's competitive advantage. The program acts as a catalyst for new A&D investments by providing repayable contributions to Canadian A&D companies for strategic industrial research and pre-competitive development. SADI accepts applications on an ongoing basis. Projects are selected following a rigorous review, which includes financial, technical and market criteria. The program is partially financed with funds that were previously allocated to Technology Partnerships Canada (TPC) and repayments received from TPC and SADI projects.

Budgetary Financial Resources—Strategic Aerospace and Defence Initiative (dollars)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
245,662,654	187,034,054	(58,628,600)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
36	36	-

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Innovation and competitiveness in aerospace, defence, space and security companies	Percentage of projects resulting in the development of innovative products, services and/or processes	70% (21 projects)	79% (27 of 34 projects)
	Percentage of projects resulting in the commercialization of innovative products, services and/or processes	53% (16 projects)*	56% (19 of 34 projects)
Collaboration between aerospace, defence, space and security companies and universities, colleges and affiliated research institutes	Percentage of projects that have established a collaborative relationship with universities, colleges and affiliated research institutes	83% (25 projects)	82% (28 of 34 projects)

* Once a project has achieved the development of an innovative product, service and/or process, there is a period of time before the product, service and/or process can be successfully commercialized.

Performance Analysis—Strategic Aerospace and Defence Initiative

The Strategic Aerospace and Defence Initiative (SADI) continues to enhance the competitiveness of Canadian Aerospace and Defence (A&D) firms. At the end of 2013–14, 79% of projects had resulted in the development of new products, services and/or processes, while 56% of projects had resulted in the commercialization of new products, services and/or processes.

Collaboration is fostered between research institutes, universities, colleges and the private sector. All recipient companies are expected to collaborate with a post-secondary institution over the research and development (R&D) phase of each SADI project. At the end of 2013–14, 82 percent of projects had resulted in the creation of such collaborations.

SADI acts as a catalyst for new A&D investments by providing repayable contributions to Canadian A&D companies for strategic industrial research and pre-competitive development. In December 2013, changes to SADI were announced, addressing key findings in the Aerospace Review Report as well as Budget 2013 commitments. The changes have strengthened the incentive for firms to invest in research and development, reduced the administrative burden, responded to the needs of small business and ensured that Canada benefits by securing the high-value production activities that result from R&D.

Industry Canada has also implemented the actions included in the federal government's response to the recommendations from the Auditor General's 2012 Fall Report on Transfer Payments to the Aerospace Sector. These included making a number of

administrative changes, including changing the claims service standard and publishing more information on the program's results and accomplishments on the Department's website.

SADI was evaluated in 2011–12. The evaluation recommended that the Department should consider building greater awareness of the program. The Department developed and implemented an outreach strategy to raise awareness of the program and increase uptake, particularly among small and medium-sized businesses, through participation in trade shows, conferences and industry association meetings. The Department continues to conduct outreach activities to ensure this level of awareness is maintained within the stakeholder community.

The difference between Actual and Planned Spending reflects program demand. In addition, a portion of the forecasted expenditures for this program was reprofiled from 2013–14 to 2014–15 to accommodate changes in cash flow requirements related to approved projects.

Sub-Program—Technology Partnerships Canada

Description

The Technology Partnerships Canada (TPC) program provided repayable contributions to businesses in all regions of Canada to stimulate industrial research and pre-competitive development in aerospace and defence, environmental, life sciences, information and communications technologies, and advanced manufacturing industries. The program leverages investment in projects that produced a wide range of economic, social and environmental benefits for Canadians. As of December 31, 2006, TPC no longer accepted applications for new projects. However, the Department continues to manage existing projects that make up TPC's \$3.5 billion portfolio. This involves reviewing project status, paying eligible claims and receiving repayments.

Budgetary Financial Resources—Technology Partnerships (dollars)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
9,089,752	5,286,923	(3,802,829)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
37	32	(5)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Research and development disbursements in the aerospace, defence, environmental and enabling technology industries	Dollars of research and development investment leveraged per Technology Partnerships Canada dollar disbursed	\$2	\$2.09
New and innovative products, services and processes are commercialized by Canadian businesses	Percentage of projects that have successfully completed their work phase resulting in the commercialization of new products, services and processes	72%*	71%

* Once a project has achieved the development of an innovative product, service and/or process, there is a period of time before the product, service and/or process can be successfully commercialized.

Performance Analysis—Technology Partnerships Canada

As of December 31, 2006, Technology Partnerships Canada (TPC) no longer accepted applications for new projects, however Industry Canada continues to manage existing projects and collect repayments. Repayments collected to date are in line with forecasts and are expected to continue until 2035. A total of \$2.09 of research and development investment was leveraged for each TPC contribution dollar disbursed in 2013–14. Recipients for 71 percent of the projects were commercializing new products, services and processes, on track to reaching the program end target of 72 percent.

In response to the findings of the 2012 Fall Report of the Auditor General of Canada on Transfer Payments to the Aerospace Sector,¹³ the final evaluation of TPC was brought forward one year to 2014–15. Lessons learned from this final evaluation will aid in the management and administration of Industry Canada’s other aerospace transfer payment programs.

TPC disbursements in 2013–14 did not reach the anticipated level due to projects having lower cash flow requirements and some research and development projects being completed with lower than expected costs.

Section II: Analysis of Programs by Strategic Outcome (continued)

Strategic Outcome: Canadian businesses and communities are competitive

Industry Canada encourages business innovation and productivity because businesses generate jobs and create wealth. Promoting economic development in communities encourages the development of skills, ideas and opportunities across the country.

Program—Small Business Research, Advocacy and Services

Description

The Department's work in this program area is aimed at enhancing the growth and competitiveness of small business and encouraging entrepreneurship. Through this program, Industry Canada raises awareness across government of the challenges facing small businesses; provides knowledge and expertise on small and medium-sized enterprises (SMEs) in a number of areas including statistics, entrepreneurship, financing, innovation and growth firms; recommends policy options; delivers programs that help support SMEs and entrepreneurial activity across Canada; and provides advice and support related to the Business Development Bank of Canada.

Budgetary Financial Resources—Small Business Research, Advocacy and Services (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
102,258,916	102,258,916	84,894,338	85,577,041	(16,681,875)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
119	109	(10)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
New small and medium-sized enterprises are created	Number of small and medium-sized enterprise entries	10,000	Not Available*
Small and medium-sized enterprises are identified as growing	Percent of small and medium-sized enterprises that self-identify their business phase as growth	45%	Not Available**

* Statistics Canada changed the way it calculates this measure. New measures are being developed.

** Data is no longer collected in this form. Figures under the new data collection methodology are not available.

Performance Analysis—Small Business Research, Advocacy and Services

In 2013–14, the Canada Small Business Financing Program was modernized to make it easier for small and medium-sized enterprises to access funding. Also in 2013–14, the Canada Business Network (CBN) was evaluated. The CBN assists SMEs in finding relevant Government of Canada information, programs and services.

Industry Canada signed agreements to extend the BizPaL service until 2018, while at the same time expanding the reach of the service into new Canadian communities. BizPaL is an important service for entrepreneurs, giving them online access to federal, provincial, territorial and municipal government requirements to start or grow a business in Canada.

The difference between Actual and Planned Spending relates to fluctuations in payments under the Canada Small Business Financing sub-program and the Small Business Growth and Prosperity sub-program. Further information is available in the sub-program section below.

Sub-Program—Canada Small Business Financing

Description

The Canada Small Business Financing Program is designed to help Canadian small and medium-sized enterprises (SMEs) access financing that would not otherwise be available or would only be available under less favourable terms. It is a loan loss-sharing program delivered in partnership with financial institutions. To be eligible for this program, SMEs must be for-profit businesses with revenues of less than \$5 million per year. Under the program, financial institutions can make term loans on real property, leasehold improvements and equipment. In the event that a registered loan defaults, the government pays 85 percent of the net eligible losses. This is a national program operating in all provinces and territories.

Budgetary Financial Resources—Canada Small Business Financing (dollars)

Planned Spending 2013–14	Actual Spending 2013–14	Difference 2013–14
90,614,148	64,044,370	(26,569,778)

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
35	34	(1)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Small and medium-sized enterprises that would not otherwise be able to access financing can do so with government support	Number of loans registered with the program	8,000	5,622
	Value of loans registered with the program	\$1 billion	\$852.8 million
	Percentage of Canada Small Business Financing loan recipients who would not have otherwise obtained a loan, or would have obtained a loan under less favourable conditions	75%	80% to 85%

Performance Analysis—Canada Small Business Financing

In 2013–14, Industry Canada continued its support of small and medium-sized enterprises through the Canada Small Business Financing Program (CSBFP).

The CSBFP was audited in 2013–14.¹⁴ In addition, a comprehensive review of the CSBFP identified two issues for major lenders: the administrative burden of the program, and low profitability for lenders. These factors contributed to fewer loans than expected being registered in 2013–14. In response to that review and consultations with stakeholders, Industry Canada proposed regulatory changes to modernize the CSBFP and include more online services. These changes were published in the Canada Gazette Part II on February 12, 2014,¹⁵ with an implementation date of April 1, 2014.

By February 2014, due in part to the On-line Loan Application introduced in 2011, 65 percent of the CSBFP loans made were registered online and 16 percent of fee payments were being received electronically, up significantly from 20 percent and seven percent respectively at the same time last year.

The difference between Actual and Planned Spending for this sub-program reflects a drop in claims received and payments made for defaulted loans. The variance is driven primarily by a reduction in loans made in recent years and by some financial institutions reaching their liability limit, resulting in fewer claims being paid.

Sub-Program—Canada Business Network**Description**

The Canada Business Network (CBN) provides potential Canadian entrepreneurs and existing small businesses with one-stop access to government information on programs, services and regulations, as well as business-related tools. By integrating information

from federal, provincial and territorial governments into one convenient service, CBN helps small businesses save time and make informed business decisions that can help them start, succeed and grow. The service is offered through the Internet at www.canadabusiness.ca, through toll-free telephone at 1-888-576-4444 and through 13 service centres located across Canada. The program is managed by five lead departments and agencies: Industry Canada (for national activities and in Ontario), the Canadian Northern Economic Development Agency (in the Northern Territories), Western Economic Diversification Canada (in the Western Provinces), the Atlantic Canada Opportunities Agency (in the Atlantic Provinces) and the Economic Development Agency of Canada for the Regions of Quebec (in Quebec). The program is delivered in collaboration with the provinces and territories and some not-for-profit entities. Each lead department or agency has its own program alignment architecture and associated performance measures.

Budgetary Financial Resources—Canada Business Network (dollars)

Planned Spending 2013–14	Actual Spending 2013–14	Difference 2013–14 (actual minus planned)
6,002,889	4,422,771	(1,580,118)

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
40	29	(11)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Small business and potential entrepreneurs access government information on business-related programs, tools, and services	Number of client interactions on all Canada Business Network content delivered through the national web channel	2.2 million	1.5 million
	Number of assisted client interactions through Canada Business Network regional presence in Ontario	68,680 telephone calls and emails to the Business Info Line	3,569*
Information provided by Canada Business Network is useful to business clients	Percentage of clients that indicate they found Canada Business Network services and information useful	60%	59%

* This represents interactions for the months of April and May 2013 only. In June 2013, responsibility for the Canada Business Network in Ontario was shifted to FedDev Ontario.

Performance Analysis—Canada Business Network

In 2013–14, the Department continued to provide information on programs, tools and services to Canadian businesses through the Canada Business Network (CBN). Although website traffic declined from the previous year, increasing use of social media has provided CBN an opportunity to expand access to government information and services with both businesses and other service delivery organizations.

The differences between Actual and Planned Spending and FTEs reflect the June 2013 transfer of the Canada Business Network in Ontario to the Federal Economic Development Agency of Southern Ontario.

Sub-Program— Small Business Growth and Prosperity

Description

Through advocacy, evidence-based research and analysis, stakeholder consultations, surveys and policy development, this program ensures that the government is better informed on small business issues, including the importance of entrepreneurship and small businesses to Canada's economy, the challenges small businesses face in terms of growth and prosperity and the strategies for reducing their paperwork burden when complying with government requirements and obligations. This program also supports the Canadian Youth Business Foundation (CYBF), a not-for-profit organization that provides loans and mentorship to young Canadian entrepreneurs who would not typically receive financial assistance from traditional lending institutions. Stakeholder consultations include the Advisory Committee on Small Business and Entrepreneurship, which is mandated to provide the government, through the Minister of State (Small Business and Tourism), with information, advice and recommendations on issues facing small businesses in Canada; in particular, improving business access to federal programs and information.

Budgetary Financial Resources—Small Business Growth and Prosperity (dollars)

Planned Spending 2013–14	Actual Spending 2013–14	Difference 2013–14 (actual minus planned)
5,641,879	17,109,900	11,468,021

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
44	46	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Senior government decision makers are aware of small business perspectives and issues facing small and medium sized enterprises	Number of briefings given to senior government decision makers	95	132
Young entrepreneurs have access to financing to establish and grow their businesses	Number of loans issued by Canadian Youth Business Foundation as a result of Industry Canada funding	534	495
	Value of loans issued by Canadian Youth Business Foundation as a result of Industry Canada funding	\$8,605,000	\$6,525,000

Performance Analysis— Small Business Growth and Prosperity

Industry Canada continued its support of small and medium-sized enterprises (SMEs) in 2013–14, ensuring that the Government of Canada is aware of the issues facing these firms and their importance to the Canadian economy.

The Department exceeded its 2013–14 target for the number of briefings given to senior government decision makers, partly due to the new departmental priorities stemming from Budget 2013.

In 2013–14, CYBF issued 495 loans totalling \$6,525,000 to young entrepreneurs as a result of IC funding. Actual results reflect lower than estimated loan volumes.

In 2013–14, Industry Canada provided support to the Advisory Committee on Small Business and Entrepreneurship, which gave the Government of Canada advice on how to better serve SMEs by providing faster and easier access to information, programs and transactions. The committee submitted its report in March 2014, providing advice on new technologies, media tools and trends in service delivery that could transform the interface between businesses and government, as well as on the impact of the current regulatory environment on small businesses growth.

Industry Canada also negotiated and signed new agreements with most provincial and territorial partners to extend the BizPaL service for another five years (2013 to 2018). The partnership also grew to include an additional 16 municipalities, providing quick and easy online access to government requirements to start and grow a business in Canada.

The difference between Actual and Planned Spending under this sub-program is mainly related to funding of \$18 million over two years for the Canadian Youth Business Foundation announced in Budget 2013. Of that funding, \$9 million was accessed through

2013–14 Supplementary Estimates. Additional funding was also reallocated to this sub-program during the year for the Services to Business Web Pilot project and for a contribution to the Quebec City Conference.

Program—Industrial Competitiveness and Capacity

Description

This program focuses on helping Canadian industries to improve their industrial competitiveness and capacity for innovation and adapt to the ever-changing economic landscape, including external shocks. To support industries, this program develops expertise on Canadian firms and sectors through research and analysis and engagement with associations, governments and leading firms; applies this expertise to develop and contribute to policy, legislation and regulations; collaborates with the private sector on industry development; attracts investment and promotes Canadian expertise; and invests in private sector initiatives that are aimed at maximizing productivity and facilitating access to capital.

Budgetary Financial Resources—Industrial Competitiveness and Capacity (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
36,145,038	36,145,038	36,182,192	37,132,066	987,028

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
228	215	(13)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canadian industries have the capacity to prepare for and respond to risks and opportunities in domestic and global markets	Canada's ranking among G7 countries for "value chain breadth"	6th	7th
	Canada's ranking among G7 countries for "firm-level technology absorption"	6th	6th
Industry perspective is considered in policy, legislation, regulations and agreements	Number of collaborative policy projects focused on industry competitiveness and adaptability	36	35

Performance Analysis—Industrial Competitiveness and Capacity

Strengthening the manufacturing sector to foster globally competitive industries, increase economic growth and attract jobs to Canada was one of Industry Canada's priorities in 2013–14. In support of that priority, the Department worked with the Federal Economic Development Agency for Southern Ontario to implement the Advanced Manufacturing Fund, a \$200-million fund that supports efforts to develop cutting-edge technologies and advanced manufacturing activities in Ontario.

In response to the Aerospace Review, the Department launched the new Technology Demonstration Program. This program will support innovative Canadian firms by funding large-scale technology demonstration projects.

Also in 2013–14, Industry Canada continued to administer and implement the National Shipbuilding Procurement Strategy Value Proposition, intended to support the long-term sustainability of the greater marine sector in Canada. The Department also continued its administration of the Industrial and Regional Benefits Policy, and prepared for the transition to the Industrial and Technological Benefits Policy, which seeks to improve the economic outcomes from certain defence and security procurements across Canada.

Sub-Program—Industry-Specific Policy and Analysis**Description**

This program provides both government and industry with intelligence, analysis and advice on industry's capacity to adapt to the continually evolving economic environment. Departmental officials monitor trends and business issues affecting innovation and competitiveness in targeted industries and track international economic and policy developments to determine their effects on Canadian industries. This expertise is used to advise stakeholders on key issues and policies that are relevant to the competitiveness of targeted industries and their positions within globalized markets and value chains. Through this program, the Department brings an industry perspective to government

decision making and, in turn, a government perspective back to industry. In collaboration with partners such as industry associations and other government departments, Industry Canada develops value chain studies, research papers, statistical reports and other such products, which are disseminated to enable informed decision making. This program also promotes the adoption and adaptation of new and emerging technologies and skills for business processes, and supports strategic research and development, marketing and investment activities.

Budgetary Financial Resources—Industry-Specific Policy Analysis (dollars)

Planned Spending 2013–14	Actual Spending 2013–14	Difference 2013–14 (actual minus planned)
33,452,954	29,143,606	(4,309,348)

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
202	189	(13)

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Decision makers in government and industry have access to information on trends and issues affecting the competitiveness of Canadian industries	Percentage of requests, from stakeholders for information, advice or expertise on industrial competitiveness, to which the program responded	100%	100%
	Number and type of knowledge products developed to analyze trends, risks and opportunities affecting the competitiveness of targeted Canadian industries that were disseminated to stakeholders	226	265

Performance Analysis—Industry-Specific Policy and Analysis

In 2013–14, Industry Canada exceeded its target for the number of knowledge products disseminated to stakeholders to analyze trends, risks and opportunities affecting the competitiveness of targeted Canadian industries.

Industry Canada collaborated with the Federal Economic Development Agency for Southern Ontario to implement the Advanced Manufacturing Fund announced in Budget

2013, in particular with regard to the design of the economic and innovation analysis that will be applied to project submissions.

The Department also initiated activities in response to the Aerospace Review. As indicated under the Industrial Research and Development Financing program, the new Technology Demonstration Program was launched in September 2013. This program will fund large-scale technology demonstration projects that typically require the integration of several different technologies and the coordination of the activities of many partners. The first statements of interest were accepted in December 2013. In February 2014, the Minister of Industry released Canada's Space Policy Framework, which provides clarity on Government priorities and strengthens the governance of Canada's space program.

Additionally, Industry Canada collaborated with partners on policy and program analysis in areas such as trade (e.g., Canada-Europe Trade Agreement, Canada-Korea Free Trade Agreement), the regulatory environment (e.g., export controls), skills, transportation (e.g., rail policy), and support for innovation.

In May 2013, Industry Canada led the development and release of the first Federal Tourism Strategy (FTS) Annual Report.¹⁶ In September 2013, Industry Canada supported a constructive dialogue on tourism with the provinces and territories through a meeting of the Canadian Council of Tourism Ministers (CCTM). The Department continues to engage federal partners through regular meetings of the FTS Steering Committee, including formalized tourism industry engagement. In addition, the Department continues to coordinate closely with other government departments on the development of multiple policies and programs affecting the tourism sector.

The difference between Actual and Planned Spending under this program is due to program savings and internal reallocations between programs.

Sub-Program—Shipbuilding Capacity

Description

This program helps ensure that shipbuilding capacity exists for federal marine procurement and maintenance requirements in keeping with the Buy Canada procurement policy. Eligible products are new vessels and offshore marine structures or existing vessels, and offshore marine structures undergoing major refurbishment, conversion or other major modification in Canadian shipyards. Financing is provided to applicants, lenders or lessors, who will receive a non-repayable contribution to reduce the applicant's interest or leasing costs. Subject to limitations, this support can be up to 15 percent of the purchase price paid to the Canadian shipyard for the construction or modification of an eligible vessel or offshore marine structure.

Budgetary Financial Resources—Shipbuilding Capacity (dollars)

Planned Spending 2013–14	Actual Spending 2013–14	Difference 2013–14 (actual minus planned)
1,700,000	4,998,282	3,298,282

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
1	1	-

Performance Results

Expected Result	Performance Indicators	Targets	Actual Results
Demand for new builds, conversions, refits and modifications in Canadian shipyards is created and met	Number of applications received	1	0
	Number of contribution agreements approved	1	2

Performance Analysis—Shipbuilding Capacity

In support of the National Shipbuilding Procurement Strategy (NSPS), Industry Canada was responsible for the administration and implementation of the NSPS Value Proposition (VP), intended to support the long term sustainability of the greater marine sector in Canada.

In 2013–14, Industry Canada successfully negotiated the first NSPS VP contractual terms and conditions for the Arctic Offshore Patrol Ships (AOPS). Subsequent to the inclusion of the VP terms and conditions in the AOPS contract, there have been VP proposals approved for investment in the greater marine sector that match the shipyards' VP obligations accrued to date. No new applications were accepted for the Structured Financing Facility program in 2013–14, but, due to a holdover from the previous year, two agreements were signed in 2013–14.

The difference between Actual and Planned Spending reflects a \$3.2 million internal reallocation to fund a project for the construction of a tugboat vessel.

Sub-Program—Industrial and Regional Benefits**Description**

The Industrial and Regional Benefits (IRB) Policy provides the framework for leveraging federal defence and security procurements to generate long-term industrial and regional development within Canada. The IRB Policy ensures that Canadian companies can derive

benefits from federal procurements through the creation of new business opportunities or investments in research and development, technology commercialization or business development activities. Under the IRB Policy, prime contractors that are awarded major federal defence and security contracts are required to generate new business activity in the Canadian economy in an amount equal to the value of the contract. The investments must be in advanced technology sectors across Canada and can be either directly or indirectly related to the procured item. The IRB Policy is the Canadian version of the industrial participation policies practised in over 100 countries.

Budgetary Financial Resources—Industrial and Regional Benefits (dollars)

Planned Spending 2013–14	Actual Spending 2013–14	Difference 2013–14 (actual minus planned)
992,084	2,990,178	1,998,094

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
25	25	-

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Prime contractors benefiting from federal procurement contracts reinvest in the Canadian economy	Dollar value of prime contractor investment in the Canadian economy	\$2 billion	\$2.1 billion
Business relationships are created between Canadian suppliers and prime contractors	Number of transactions that generate relationships between prime contractors and Canadian companies	125	150
Industrial and Regional Benefits transactions are reviewed, approved and reported on in a timely manner	New business transactions that are examined and assessed annually as a percentage of total applications received	90%	99%

Performance Analysis—Industrial and Regional Benefits

In 2013–14, Industry Canada performed ongoing management and monitoring of obligations subject to the Industrial and Regional Benefits (IRB) Policy, and began the transformation to the new Industrial and Technological Benefits (ITB) Policy. This policy

ensures that Government of Canada defence and security procurements generate value-added business activity for Canadian industry.

In implementing the policy, the Department works with federal procurement partners such as the Departments of Public Works and Government Services, National Defence, the Canadian Coast Guard and the regional development agencies.

In 2013–14, Industry Canada oversaw 70 contracted and 30 future major procurements subject to the policy. The Department implemented an enhanced communications and outreach approach, undertook initiatives to improve administrative processes.

Prime contractors report annually to Industry Canada on their previous year's business activities in Canada. The results reported here are based on business activities which took place in Canada in 2012 and were reported to Industry Canada in 2013–14. The dollar value of prime contractor investment in Canada is as anticipated. The number of transactions generating relationships is higher than anticipated, due to external factors such as prime contractors' business decisions.

The difference between Actual and Planned Spending in this sub-program is due to internal reallocations conducted during the year to align the funding with program requirements.

Program—Community Economic Development

Description

This program advances the economic development of Northern Ontario communities in the same manner that regional development agencies support similar activities in other regions of Canada. Its main goal is to strengthen the Northern Ontario economy by providing financial support, through contribution agreements, for economic and community development projects led by the private, not-for-profit and public sectors. This program also helps to increase public access to the Internet, provide schools with greater access to computers, and improve information technology skills and learning in community groups and communities across Canada.

Budgetary Financial Resources—Community Economic Development (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
65,318,795	65,318,795	84,853,872	72,366,822	7,048,027

Human Resources (FTEs)

Planned 2013–14	Actual 2013–14	Difference 2013–14 (actual minus planned)
104	104	-

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Targeted businesses and organizations in northern Ontario create economic growth	Number of northern Ontario businesses and organizations created, expanded or maintained	1,700	1,983

Performance Analysis—Community Economic Development

As part of its role in ensuring the competitiveness of Canadian businesses and communities, Industry Canada worked to improve the delivery of the Community Futures Program and the Northern Ontario Development Program.

In 2013–14, the Department exceeded its target for the number of Northern Ontario businesses and organizations created, expanded or maintained.

Priorities for the Department under this program included supporting the successful implementation of the Ring of Fire economic opportunity in Northwestern Ontario, and launching the renewed Economic Development Initiative to help foster economic development in official language minority communities and capitalize on economic opportunities made possible through the use of both official languages.

The difference between Actual and Planned Spending relates to fluctuations in various transfer payment programs. Further information is provided in the sub-program section below.

Sub-Program—Community Futures**Description**

The Community Futures (CF) Program is a national program delivered by FedNor in rural Northern Ontario and by the regional development agencies in the rest of Canada. The CF Program provides financial support to small and medium-sized enterprises through 24 Community Futures Development Corporations (CFDCs) located throughout rural Northern Ontario. The program's objectives are to foster economic stability, growth and job creation; help create diversified and competitive local rural economies; and help build economically sustainable communities. CFDCs are incorporated, not-for-profit, community-based development organizations each governed by a local volunteer board of directors. They offer a variety of products and services to support small business growth and community economic development such as access to capital; strategic

community planning and socio-economic development; support for community-based projects and special initiatives; and business information, planning and support services. FedNor provides financial contributions to support the ongoing operations of individual CFDCs through either one- or three-year agreements.

Budgetary Financial Resources—Community Futures (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
8,926,621	9,149,386	222,765

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
5	5	-

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Targeted rural northern Ontario businesses attract investors	Ratio of funds from the Community Futures Program to investments raised from other sources	1:1.6	1:1.67
Targeted rural northern Ontario businesses create jobs	Number of jobs created and maintained in northern Ontario through Community Futures investments	1,100	1,928

Performance Analysis—Community Futures

Through the Community Futures Program, Industry Canada continued to provide support to small and medium-sized enterprises in rural Northern Ontario.

The Department exceeded its target for the number of jobs created and maintained in Northern Ontario through Community Futures investments, reflecting the local economic conditions in communities served by the program.

In 2013–14, Industry Canada improved reporting and monitoring tools for the Community Futures Program, including a more effective, risk-based tool to assess requests for support. The Department also developed an action plan to address the recommendations of the evaluation conducted in 2013–14.¹⁷

Sub-Program—Northern Ontario Development

Description

The Northern Ontario Development Program (NODP) is administered by FedNor. The NODP's objective is to promote economic development, economic diversification, job creation and sustainable, self-reliant communities in Northern Ontario. This is achieved by providing financial support, through transfer payments, to small and medium-sized enterprises and not-for-profit organizations, including municipalities, municipal organizations, community development organizations and research institutions, in three priority areas: community economic development; business growth and competitiveness; and innovation.

Budgetary Financial Resources—Northern Ontario Development (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
46,292,174	38,717,214	(7,574,960)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
96	89	(7)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Targeted rural northern Ontario businesses attract investors	Ratio of funds from Northern Ontario Development Program contributions to investments raised from other sources	1:2.6	1:1.8
Targeted rural northern Ontario businesses create jobs	Number of jobs created and maintained in Northern Ontario through Northern Ontario Development Program investments	3,000	2,160

Performance Analysis—Northern Ontario Development

Through the Northern Ontario Development Program (NODP), Industry Canada promotes the economic development of Northern Ontario communities.

The ratio of funds from NODP contributions to investments raised from other sources was 1:1.8 in 2013–14, somewhat lower than the target of 1:2.6. The difference between the planned and actual leverage reflects a greater emphasis in 2013–14 on certain larger projects with relatively low leverage, and funding allocated to intermediary organizations that further distribute funding to ultimate recipients. This sub-program contributed to the creation or maintenance of 2,160 Northern Ontario jobs. The jobs target will be adjusted in future years to reflect an updated performance measurement strategy.

In 2013–14, Industry Canada, through the Federal Economic Development Initiative for Northern Ontario (FedNor), supported the development of the Ring of Fire economic opportunity in Northwestern Ontario. This included leading collaborative efforts involving 16 departments and agencies to help ensure that capacity, training and business development are in place. It also included investment in a three-year \$4.4 million Nishnawbe Aski Development Fund initiative to provide existing and new First Nation businesses in Northwestern Ontario with the tools to capitalize on opportunities related to this major mining development.

To serve Northern Ontario communities more effectively, toll-free access to business services in French was implemented and will be monitored to determine whether any changes are required. FedNor also streamlined the review process for small projects and launched a redesigned website to make it easier for clients to find program information.

FedNor also undertook a number of initiatives to enhance programming for its stakeholders. This included the Targeted Manufacturing Initiative for Northern Ontario, which was launched to help Northern manufacturers become more innovative, productive and competitive in the global marketplace, as well as collaboration with the Federal Economic Development Agency for Southern Ontario to ensure the Advanced Manufacturing Fund was designed in a manner that was relevant to Northern Ontario SMEs seeking to develop new and innovative products or production methods.

The difference between Actual and Planned Spending reflects the timing of the launch of two FedNor initiatives: the Targeted Manufacturing Initiative for Northern Ontario, and FedNor's approach to supporting broadband deployment, which affected project approvals and cashflows.

Sub-Program—Computers for Schools

Description

Through this program, surplus computers donated by federal, provincial and territorial government departments, private companies and private donors are refurbished through contribution agreements with licensed delivery agents. Once refurbished, they are distributed to schools, libraries, not-for-profit learning organizations and Aboriginal communities across Canada. Through a national partnership-based network, the program continues to meet an ongoing demand for computers in Canadian learning organizations, ensuring that more young Canadians have access to the benefits of a knowledge-based economy and society. This program also supports work experience internships for youth

at the post-secondary level. Youth interns with the requisite skills are given the opportunity to work on innovative information and communication technologies projects in the context of computer refurbishment workshop activities. These projects enable participants to develop practical work experience in such areas as computer repair, refurbishment and software testing; to cultivate skills such as teamwork, time management and administration; and to perform other activities related to managing a computer refurbishment workshop.

Budgetary Financial Resources—Computers for Schools (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
-	7,803,869	7,803,869

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
-	5	5

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Schools, libraries, not for profit learning organizations and Aboriginal communities receive refurbished computers	Number of refurbished computer units delivered annually	65,000	73,923
Youth interns gain work experience in the information and communication technologies field	Number of youth interns hired by fiscal year	250	305

Performance Analysis—Computers for Schools

Funding for this sub-program of \$3.6 million was received through Supplementary Estimates for the Computers for Schools - Technical Work Experience Program, an initiative funded by the Government of Canada’s Youth Employment Strategy that offers professional experience in refurbishing computers to students and recent graduates of information technology programs. A further \$4 million was reallocated internally to support the Computers for Schools program.

Sub-Program—Community Internet Access**Description**

Broadband Internet access is viewed as essential infrastructure for participating in today's economy as it enables citizens, businesses and institutions to access information, services and opportunities that could otherwise be out of reach. The Broadband Canada: Connecting Rural Canadians program aims to provide essential infrastructure to Canadians in rural and remote areas, allowing them to participate in the digital economy. The program provides funding to private sector or consortiums of companies, not-for-profit organizations, and provincial/territorial entities that build and operate broadband infrastructure, through contribution agreements for projects that provide broadband internet access of a minimum speed of 1.5Mbps to unserved and underserved households. The program no longer accepts applications for new projects. All projects are now complete, although the program continues to provide financial support for access to satellite bandwidth based on signed agreements.

Budgetary Financial Resources—Community Internet Access (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
10,100,000	16,170,721	6,070,721

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
3	1	(2)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Broadband internet access to unserved and underserved households	Number of households in Canada with broadband access due to satellite services funded through the Broadband Canada program	72,000*	72,000

* Overall the Broadband Canada program has reached a total of 218,000 households; the target of 72,000 households was for 2013–14.

Performance Analysis—Community Internet Access

In 2013–14, Industry Canada met its target of supporting broadband access for 72,000 homes (overall, the program has now reached 218,000 households). The program sunset in March 2012; the remaining spending covers payments under certain agreements to

provide broadband access via satellite. Budget 2014 provided for \$305 million over five years for the Connecting Canadians program, which will enhance access to high-speed broadband networks.

The Planned Spending figure does not include an additional \$10 million received in Supplementary Estimates to assist youth in obtaining information and communication technology skills through youth internships at community access sites.

Sub-Program—Economic Development Initiative for Official Language Minority Communities

Description

The Economic Development Initiative (EDI) is part of the Roadmap for Canada's Linguistic Duality Action Plan, announced in June 2008. The Roadmap aims to strengthen linguistic duality, reinforce Canada's national identity and provide economic benefits for all Canadians. Industry Canada is responsible for the horizontal and overall coordination of this initiative; sharing information and research with departments and regional development agencies; coordinating reporting and evaluation requirements; and organizing formal community consultations. EDI is a national initiative delivered by FedNor in Northern Ontario and delivered through RDAs in the rest of Canada. EDI's mandate in Northern Ontario is to address the specific economic development needs of the region and build upon regional successes to facilitate sustainable growth in official language minority communities. Sustainable growth is achieved by developing new business expertise through innovation, partnerships, the diversification of economic activities and increasing support for small businesses. To achieve this mandate, Industry Canada, through FedNor, provides financial support through transfer payments to not-for-profit organizations, including Francophone or bilingual organizations that benefit Northern Ontario and provide programs or services in French to the Francophone community. Funding is focused on two priority areas: community strategic planning and business economic development.

Budgetary Financial Resources—Economic Development Initiative for Official Language Minority Communities (dollars)

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
-	525,632	525,632

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
-	4	4

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Official Language Minority Communities' businesses in northern Ontario attract investors	Ratio of funds from Economic Development Initiative contributions to investments raised from other sources	1:1.3	Not Applicable*
Official Language Minority Communities' businesses in northern Ontario create jobs	Number of jobs created and maintained in northern Ontario through Economic Development Initiative investments	71	Not Applicable*

* The Economic Development Initiative for Official Language Minority Communities was launched February 27, 2014. No agreements were signed during 2013–14, thus there are no results to report.

Performance Analysis—Economic Development Initiative for Official Language Minority Communities

In February 2014, Industry Canada launched FedNor's renewed Economic Development Initiative for Northern Ontario as part of the *Roadmap for Canada's Official Languages 2013–2018* to help foster economic development in official language minority communities and capitalize on economic opportunities made possible through the use of both official languages.

By March 31, 2014, four applications had been received and were under review. As a result, no funding was provided in 2013–14 and there are no results to report.

New funding for this sub-program was announced in Budget 2013 and accessed through Supplementary Estimates.

Section II: Analysis of Programs by Strategic Outcome (continued)

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Budgetary Financial Resources—Internal Services (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
100,243,350	129,443,350	137,903,851	138,479,491	9,036,141

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
1,189	1,152	(37)

Performance Analysis and Lessons Learned—Internal Services

In 2013–14, Industry Canada continued to enhance its management practices to improve the delivery of programs and operational activities.

Industry Canada finalized its Internal Control Framework, which outlines the key responsibilities and accountabilities relating to the Treasury Board Secretariat Policy on Internal Control. The Department continues to implement this framework, and provides regular updates to senior management and the Departmental Audit Committee.

The Department fully implemented the Common Human Resources Business Process, an initiative aimed to standardize human resources service delivery across the government in an effort to reduce costs and improve decision making. Industry Canada also provided mandatory training to all managers and supervisors for its new performance management program for employees, arising from the Directive on Performance Management. The program identifies individual employee performance expectations and learning needs, and links their contributions to the Department’s business goals. This training ensured the

success of the program by assisting managers in conducting performance management conversations with their employees, and keeping managers and employees informed of various developmental tools.

In 2013–14, Industry Canada engaged employees across the department in Blueprint 2020 discussions, an initiative of the Clerk of the Privy Council to facilitate a dialogue about the future of the Public Service. The Department offered its employees numerous engagement opportunities with senior management to present ideas on shaping the Public Service and Industry Canada of the future.

The difference between Actual and Planned Spending is due to in-year costs related to compensation adjustments and pay list requirements to meet legal obligations of the employer (e.g. parental leave).

Section III: Supplementary Information

Financial Statements Highlights and Financial Statements

The financial highlights presented within this DPR are intended to serve as a general overview of Industry Canada's financial position and operations and should be read in conjunction with the [2013–14 Departmental Financial Statements](#),¹⁸ which can be found on the Industry Canada website.

Summary of 2014 Financial Results

The financial results are shaped by the three strategic outcomes and associated internal services that aim to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

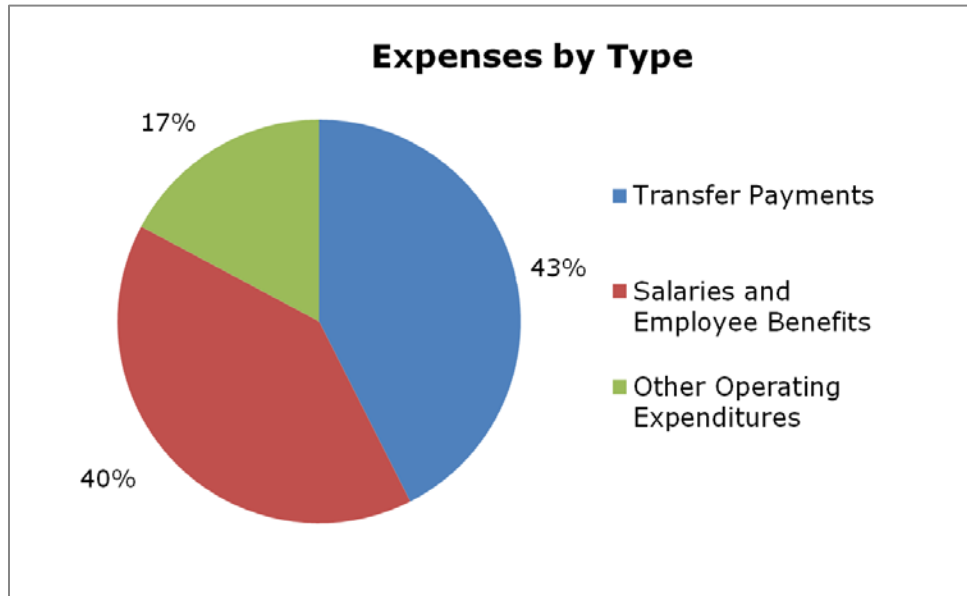
Condensed Statement of Operations and Departmental Net Financial Position

Industry Canada Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the year ended March 31, 2014 (dollars)					
	2013–14 Planned Results	2013–14 Actual	2012–13 Actual	Difference (2013–14 actual minus 2013–14 planned)	Difference (2013–14 actual minus 2012–13 actual)
Total expenses	1,333,549,000	1,213,910,486	1,147,707,747	(119,638,514)	66,202,739
Total revenues	225,575,000	224,298,773	222,437,493	(1,276,227)	1,861,280
Net cost of operations before funding and transfers	1,107,974,000	989,611,713	925,270,254	(118,362,287)	64,341,459
Departmental net financial position	(361,197,000)	(513,414,832)	(457,638,606)	(152,217,832)	(55,776,226)

Planned Results

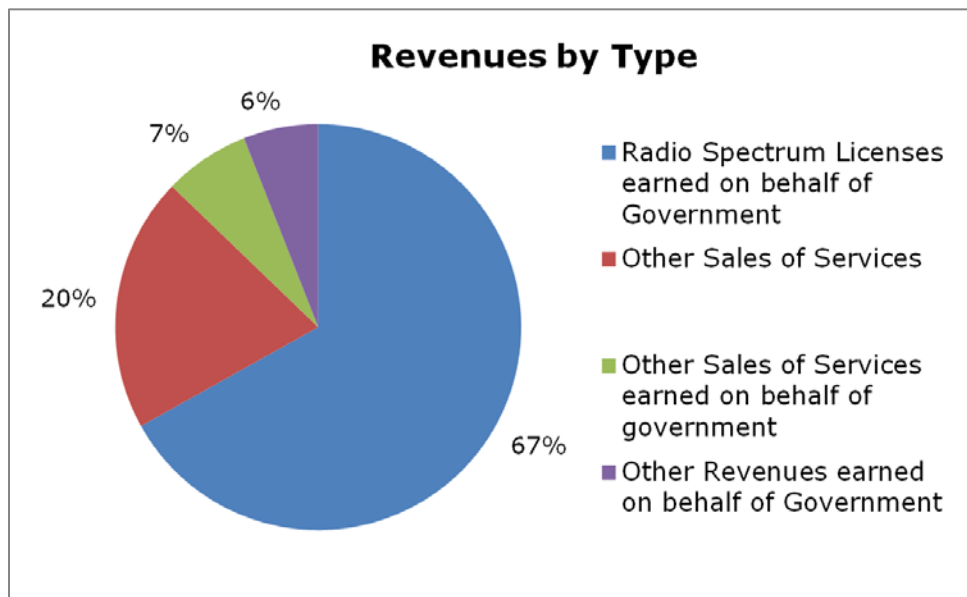
Planned Results are based on the Future-Oriented Financial Statements presented in the 2013–14 Report on Plans and Priorities (RPP).¹⁹ The \$120 million variance between 2013–14 planned results and 2013–14 actual expenses is attributable to decreases in transfer payments for programs such as the Canada Small Business Financing Program as a result of a drop in claims received and payments made for defaulted loans. As well, Strategic Aerospace and Defence Initiative (SADI) expenses were lower due to decreased program demand. Finally, operating expenses were also lower than planned, particularly in salaries and employee benefits, due to reduced expenditures related to severance liabilities.

Expenses



Total expenses were \$1.2 billion in 2013–14, an increase of \$66 million from 2012–13 actuals. This increase is largely attributable to Genome Canada (under the Science, Technology and Innovation Capacity program activity) for funding announced through Budget 2013 to support genomics research, including new large-scale research competitions and participation by Canadian researchers in national and international partnership initiatives. The increase in Grants and Contributions was slightly offset by a decrease in the salaries and employee benefits spending category.

Revenues

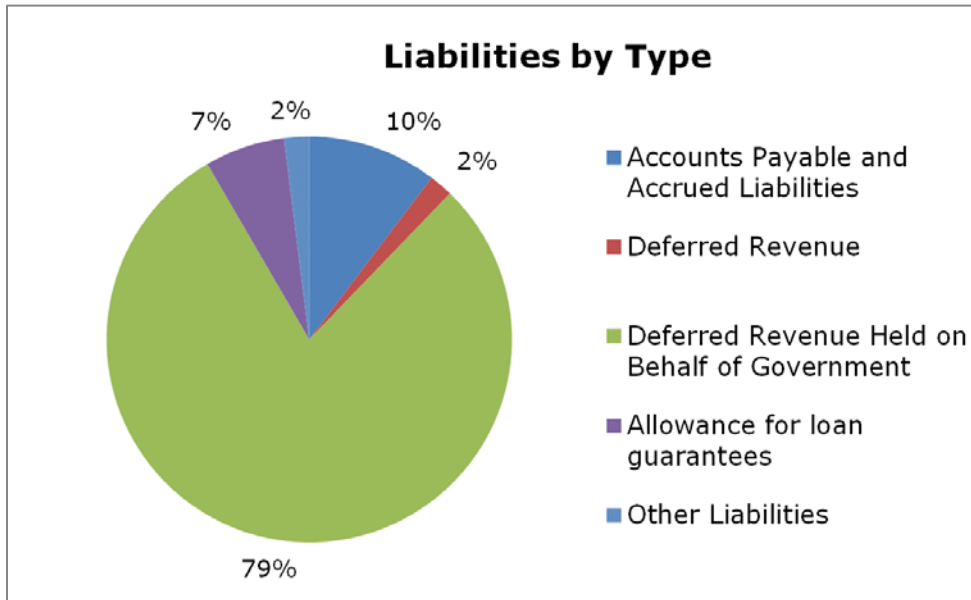


Total gross revenues were \$1.1 billion in 2013–14, an increase of approximately \$24 million, while net revenues of \$224 million remained mostly unchanged from last year. The increase in gross revenues is mainly attributable to larger fines collected under the *Competition Act* by the Competition Bureau. A reduction of revenues for radio spectrum licenses due to expiring licenses slightly offsets this increase. Revenues for the recently completed spectrum auction in the 700MHz band will be recognized over a 20-year period and will be reflected in the 2014–15 departmental financial statements. As these types of revenues cannot be accessed by the department, they are reported as revenue earned on behalf of Government and as a decrease to the gross departmental revenues. Other sales of services represent legislative fees and registrations through organizations such as the Canadian Intellectual Property Office, Office of the Superintendent of Bankruptcy and the Canada Small Business Financing program. A portion of these revenues (25%) are reported as revenues earned on behalf of Government.

Condensed Statement of Financial Position

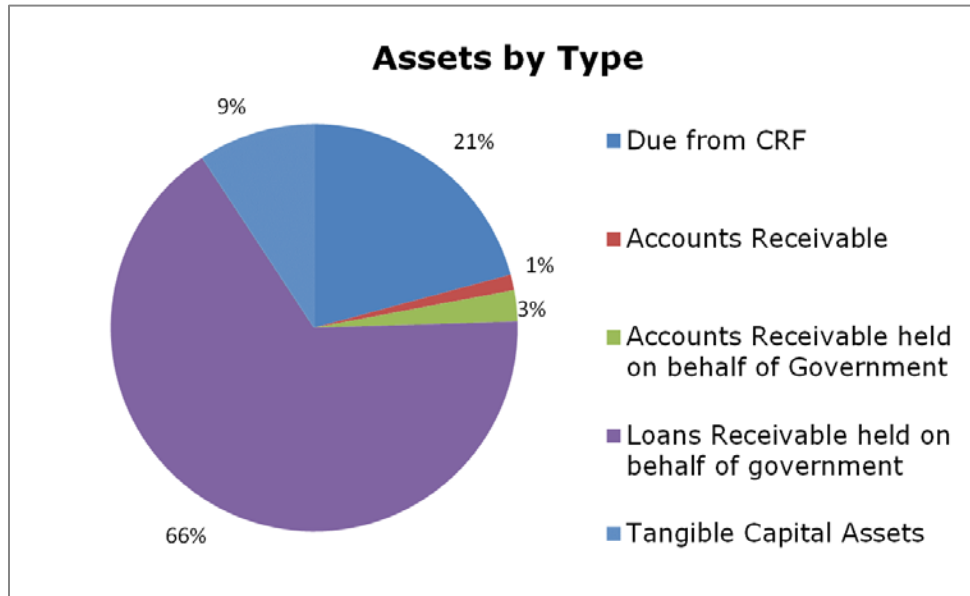
Industry Canada			
Condensed Statement of Financial Positions (Unaudited)			
As of March 31, 2014			
(dollars)			
	2013–14	2012–13	Difference (2013–14 minus 2012–13)
Total net liabilities	875,047,895	808,526,579	66,521,316
Total net financial assets	254,365,147	254,492,487	(127,340)
Departmental net debt	620,682,748	554,034,092	66,648,656
Total non-financial assets	107,267,916	96,395,485	10,872,431
Departmental net financial position	(513,414,832)	(457,638,607)	(55,776,225)

Net Liabilities



Total net liabilities were \$875 million for 2013–14, an increase of \$66 million, while gross liabilities were \$4.2 billion, an increase of \$706 million. Accounts Payable increased \$133 million this fiscal year, which is mainly attributable to future payments due to Genome Canada. Reductions in employee future benefits and loan guarantees also contributed to the net liabilities variance. Deferred revenue, which includes monies received for radio spectrum licenses, increased following the receipt of the initial bid deposits for the latest spectrum auction. A significant portion (98%) of the deferred revenue cannot be accessed by Industry Canada and is therefore reported as a liability held on behalf of Government, thus reducing the departmental net liabilities by \$3.4 billion.

Net Financial Assets



Total net financial assets were \$254 million for 2013–14, a minor decrease from last year, while gross financial assets were \$1 billion, an increase of \$100 million. This increase can be attributed to loan payments made during the year mostly attributable to the Industrial Technologies Office, which provides loans through SADI to aerospace and defence firms, and to the Automotive Innovation Fund, which strives to foster innovative automotive R&D in Canada.

Section III: Supplementary Information Tables

The supplementary information tables listed in the *2013–14 Departmental Performance Report* can be found [on Industry Canada's website](#).²⁰

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs
- Horizontal Initiatives
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Sources of Respendable and Non-Respendable Revenue
- Up-Front Multi-Year Funding
- User Fees Reporting

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the [*Tax Expenditures and Evaluations*](#)²¹ publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Corporate Management Sector
Industry Canada
235 Queen Street
2nd Floor, East Tower
Ottawa ON K1A 0H5

Email: info@ic.gc.ca
Fax: 613–954–2340

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

- 1 Canada Gazette Part II on December 18, 2013, <http://gazette.gc.ca/rp-pr/p2/2013/2013-12-18/html/sor-dors221-eng.php>
- 2 Whole-of-government framework, <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>
- 3 Public Accounts of Canada 2014, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- 4 Sources: World Bank Group, Starting a Business, <http://doingbusiness.org/data/exploretopics/starting-a-business> and the World Economic Forum's *Global Competitiveness Report 2013–14*, <http://reports.weforum.org/the-global-competitiveness-report-2013-2014/>
- 5 *One Canada, One National Economy: Modernizing Internal Trade in Canada*, http://www.ic.gc.ca/eic/site/081.nsf/eng/h_00007.html
- 6 *Security Best Practices for Canadian Telecommunications Service Providers*, <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10719.html>
- 7 *Licensing Framework for Broadband Radio Service (BRS) — 2500 MHz Band*, <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10726.html>
- 8 Canadian Internet Use Survey (CIUS) 2012, <http://www.statcan.gc.ca/daily-quotidien/131126/dq131126d-eng.htm>
- 9 Canada's anti-spam legislation, <http://fightspam.gc.ca/eic/site/030.nsf/eng/home>
- 10 *Seizing Canada's Moment: Moving Forward in Science, Technology and Innovation*, http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07416.html
- 11 Industry Canada Evaluation Reports, https://www.ic.gc.ca/eic/site/ae-ve.nsf/eng/h_00351.html
- 12 Communications Research Centre Canada, <http://www.crc.gc.ca/eic/site/069.nsf/eng/home>
- 13 2012 Fall Report of the Auditor General of Canada, Chapter 6—Transfer Payments to the Aerospace Sector—Industry Canada, http://www.oag-bvg.gc.ca/internet/English/parl_oag_201210_06_e_37350.html
- 14 Audit of the Canada Small Business Financing Program, https://www.ic.gc.ca/eic/site/ae-ve.nsf/eng/h_03640.html
- 15 Canada Gazette Part II on February 12, 2014, <http://canadagazette.gc.ca/rp-pr/p2/2014/2014-02-12/pdf/g2-14804.pdf>
- 16 *Federal Tourism Strategy Annual Report 2012*, http://tourism.gc.ca/eic/site/034.nsf/eng/h_00430.html
- 17 Evaluation of the Community Futures Program, https://www.ic.gc.ca/eic/site/ae-ve.nsf/eng/h_03689.html
- 18 2013–14 Departmental Financial Statements, <http://www.ic.gc.ca/eic/site/017.nsf/eng/07499.html>
- 19 Industry Canada 2013–14 Report on Plans and Priorities, <http://www.ic.gc.ca/eic/site/017.nsf/eng/07277.html>
- 20 Supplementary Information Tables, <http://www.ic.gc.ca/eic/site/017.nsf/eng/07475.html>
- 21 Tax Expenditures and Evaluations publication, <http://www.fin.gc.ca/purl/taxexp-eng.asp>