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Canada

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Statistics Canada

Departmental Performance Report

For the
Period ending
March 31, 2006

Maxime Bernier
Minister of Industry

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Section I: Overview

Minister's Message



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

My goal as Minister of Industry, and the goal of the Government of Canada, is to ensure that Canadian businesses can continue to grow and evolve in the best possible environment — one that encourages innovation and allows Canadians to reach their full potential. That means an efficient marketplace that supports competition, attracts investment, both from within Canada and from around the world, and encourages and rewards new ideas and inventions. It means minimizing barriers to trade and labour mobility, both within the economic union and with Canada's trading partners. And it means having the infrastructure in place to support sustainable growth.

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

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

Statistics Canada's *Departmental Performance Report* for the period ending March 31, 2006, describes the achievements and results of the Department.

Members of the Industry Portfolio are:

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

These include the final preparations for the 2006 censuses of population and agriculture; production of innovative measures of Canada's environment, economy and social situation; and development of information on the health of Canadians.

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

I am pleased to present Statistics Canada's *Departmental Performance Report* for 2005–2006.

Maxime Bernier
Minister of Industry

Management Representation Statement

I submit for tabling in Parliament, the 2005-2006 Departmental Performance Report for Statistics Canada.

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

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

Name: _____

Title: Chief Statistician of Canada

Summary Information

Statistics Canada (STC)

Reason for existence - Statistics Canada's mandate is to provide Canadians with objective and non-partisan statistics and statistical products, services and analyses on Canada's economy and society which are relevant, responsive to emerging issues, fulfill legal requirements and are of high quality.

Financial Resources (\$ millions)

Planned Spending	Total Authorities	Actual Spending
510.6	559.4	558.4

Human Resources (Full-time equivalent – FTE)

Planned	Actual	Difference
5,504	5,737	233

Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments

Strategic Outcomes

Provide Canadians with objective and non-partisan statistics and statistical products, services and analyses on Canada's economy and society which are relevant, responsive to emerging issues, fulfill legal requirements and are of high quality.

2005-2006 Specific Priorities / Commitments (not in Main Estimates)	Planned Spending 2005-2006 ¹	Actual Spending 2005-2006	Expected Results and Current Status
Economic Statistics			
Data Gaps Initiative ²	5.6	5.6	pp. 20-22
Business Register Redesign	1.8	1.4	pp. 36
Large Final Emitters (greenhouse gas project)	0.5	0.7	pp. 19
Social Statistics			
Health Statistics Program	17.8	19.3	pp. 24-26
Data Gaps Initiative ²	12.2	13.5	pp. 27-30
Census Statistics			
2006 Census (Population and Agriculture)	135.6	152.7	pp. 33-34

1. Planned spending does not include additional funding received during the year through the Governor General Warrants process.
2. Out of 9 projects covered in this report, 4 are attached to the Economic Statistics Program Activity and 5 are attached to the Social Statistics Activity.

Overall Departmental Performance

Mandate, Roles and Responsibilities

Statistics Canada's mandate derives primarily from the *Statistics Act*. The Act requires the Department, under the direction of the Minister of Industry, to collect, compile, analyze and publish statistical information on the economic, social and general conditions of the country and its citizens. These activities are fundamentally important to an open, democratic society as it provides objective information to Canadians and their elected representatives on the evolution of our society and economy. The Department's information resources are also used by businesses, unions and non-profit organizations to make informed decisions.

Statistics Canada's mandate also provides for the coordination and leadership of the country's statistical system. This has led Statistics Canada to form many partnerships at the federal, provincial and territorial levels. These partnerships have benefited Canadians in many ways: improved data quality through more comparable survey methods; reduced response burden through the use of administrative records and data sharing; and the exchange of best practices among all participants are just a few examples.

The census and statistics are recognized in the Constitution Act, 1867 as an area of federal jurisdiction. The statistics produced by the Department are used for a wide variety of statutory and regulatory purposes, including the distribution of federal funds to provinces (*Federal-Provincial Fiscal Arrangements Act*); apportioning federal-provincial tax revenues (Harmonized Sales Tax); indexing various types of federal payments to beneficiaries and income tax credits (*Income Tax Act*); determining areas of eligibility for supplementary benefits (*Employment Insurance Act*); determining the distribution of parliamentary seats among provinces and defining federal electoral districts (*Electoral Boundaries Readjustment Act*); designating federal bilingual services areas (*Official Languages Act*); and measuring the size of sub-populations that are the focus of the federal employment equity program (*Employment Equity Act*). A complete list of the federal acts that depend on specific information collected or provided by the Department is presented in Section IV of this document.

Organization

The Minister of Industry is the Minister responsible to Parliament for Statistics Canada. The Department is headed by the Chief Statistician of Canada who is supported by seven Assistant Chief Statisticians (ACSs): four are responsible for statistical program areas and three for technical and management services in support of the statistical programs. Table 1 on the following page provides an overview of the organization and resources allocated by program activity.

The statistics produced by Statistics Canada constitute a pivotal element in informing national policy formulation. A large portion of Statistics Canada's program of activities is devoted to meeting the needs of federal, provincial and territorial government policy departments, and providing on-going measurement of Canadian socio-economic dynamics and emerging trends

in support of the Government's agenda for transparent, accountable and evidence-based program management.

Statistics Canada

Table 1: 2005-2006 Resource Requirements by Organization and Program Activity

Program Activity								Sub-total	Vote Netted revenues	Total
	ACS Social Institutions and Labour Statistics	ACS Business and Trade Statistics	ACS National Accounts and Analytical Studies	ACS Analysis and Development	ACS Communications and Operations	ACS Informatics and Methodology	ACS Management Services			
(in millions of dollars)										
Economic	0.0	111.9	35.1	0.0	33.9	18.3	9.7	208.8	31.1	177.7
Statistics	<i>0.6</i>	<i>90.8</i>	<i>32.4</i>	<i>0.0</i>	<i>36.2</i>	<i>45.7</i>	<i>16.1</i>	221.8	<i>31.1</i>	<i>190.7</i>
	0.6	86.0	32.4	0.0	38.2	45.1	16.3	218.6	27.9	190.7
Social	88.5	1.2	0.4	38.3	78.4	19.8	9.5	236.0	92.0	144.0
Statistics	<i>76.5</i>	<i>0.7</i>	<i>0.4</i>	<i>30.3</i>	<i>90.2</i>	<i>40.6</i>	<i>10.5</i>	249.1	<i>92.0</i>	<i>157.1</i>
	52.2	0.7	0.4	22.9	75.4	38.0	9.5	199.1	43.1	156.1
Census	82.1	7.1	0.0	0.0	73.2	22.9	10.5	195.8	6.9	188.9
Statistics	<i>85.5</i>	<i>4.1</i>	<i>0.2</i>	<i>0.0</i>	<i>81.3</i>	<i>37.6</i>	<i>9.7</i>	218.5	<i>6.9</i>	<i>211.6</i>
	84.1	4.2	0.2	0.0	84.4	39.5	9.7	222.1	10.5	211.6
Total	170.6	120.2	35.6	38.3	185.4	60.9	29.6	640.6	130.0	510.6
	<i>162.6</i>	<i>95.6</i>	<i>33.1</i>	<i>30.3</i>	<i>207.6</i>	<i>123.9</i>	<i>36.3</i>	689.4	<i>130.0</i>	<i>559.4</i>
	136.9	90.8	33.0	23.0	198.0	122.6	35.5	639.8	81.5	558.4

1. ACS signifies Assistant Chief Statistician
2. Numbers in normal font denote Main estimate levels in 2005-2006.
3. Numbers in italics denote Total authority in 2005-2006.
4. Numbers in bold denote Actual expenditures/revenues in 2005-2006

In addition to the functional organizational structure as presented above, Statistics Canada manages its statistical programs employing a matrix structure to govern the way it plans its operations, and allocates and manages its resources. For example, for a given statistical program, the lead program area will call upon the specialized service areas for expertise in survey methodology, systems developments, survey collection and processing, etc. This matrix structure has enabled Statistics Canada to consolidate its infrastructure functions to achieve efficiencies, to increase flexibility, and to maintain centres of technical expertise. Financial resources are managed both from a statistical program viewpoint as well as from a service area (functional) viewpoint. The Department also uses ad hoc project teams to creatively solve technical or program challenges. These project teams are multi-disciplinary and cut across program and organizational lines.

Partnerships

Partnerships and cost-sharing arrangements with other departments, other jurisdictions and external organizations, have been an intrinsic aspect of program delivery since the eighties. These relationships are essential to the development of effective business plans. Statistics Canada has continued to foster these arrangements over the reporting period, as they have proven to serve not only the needs of the stakeholders but also those of the national statistical system and the Canadian research community. Selected partnership initiatives include:

- The Department provides *provincial and territorial statistical focal points* with a wide array of information products to serve the statistical information needs of their respective administrations.
- In the area of health statistics, Statistics Canada's priorities are developed in conjunction with *Health Canada*, the *Canadian Institute for Health Information (CIHI)*, the *Federal/Provincial/Territorial Conference of Deputy Ministers of Health Advisory Committee on Governance and Accountability*, the *Public Health Agency of Canada*, and other related organizations.
- The *Canadian Education Statistics Council* is a joint management body consisting of members from Statistics Canada and the Council of Ministers of Education. The council, comprising the Chief Statistician and provincial/territorial deputy ministers of education, provides advice to the Chief Statistician on the Department's Education Statistics Program.
- The *Justice Information Council* comprises the Chief Statistician and the federal and provincial deputy ministers responsible for justice policies and programs. The council provides advice to the Chief Statistician on the justice statistics program at the Canadian Centre for Justice Statistics within Statistics Canada.
- The interdepartmental Policy Research Data Group establishes Statistics Canada priorities under the Policy Research Initiative, in response to horizontal information demands in the areas of knowledge-based economy, economic growth, social cohesion, human development and global challenges and opportunities.

- *Secondary Distributors* from the private sector are licensed to repackage and resell statistical data. These firms provide added value to Statistics Canada data to serve the specialized needs of consumers and business-to-business marketers. In addition, over 100 companies are licensed to redistribute books, periodicals and CD-ROM products on behalf of Statistics Canada.
- The *Data Liberation Initiative (DLI)* provides academia with affordable and equitable access to Statistics Canada data. Through this program, a total of 67 colleges and universities obtain access to Statistics Canada standard electronic data products for a nominal fee. More information on this initiative can be obtained at the following address: www.statcan.ca/english/Dli/dli.htm.
- The *Research Data Centres (RDC)* program is an initiative by Statistics Canada, the Social Sciences and Humanities Research Council and university consortia to help strengthen Canada's social research capacity and to support the policy research community. RDCs provide researchers with access, in a secure university setting under the control of Statistics Canada, to microdata from population and household surveys. More information on the RDCs can be found on Statistics Canada's website at: www.statcan.ca/english/rdc/index.htm.

Public Commitments and Values

Statistics Canada's values

The Department recognizes that the goodwill of survey respondents is one of Statistics Canada's most valuable assets, since it is the continued cooperation of Canadians that enables the Department to turn survey results into reliable information. We make two fundamental commitments to them: First, to protect the **confidentiality** of information provided to us. Second, to find innovative ways to **reduce the time spent** completing the surveys and to use existing information whenever possible to minimize the number of surveys. Indeed, a declining trend in response burden, particularly for small business respondents, is presented in Section IV of this document (pages 57-59), Other Items of Interest.

Commitment to continuous improvement

While an increasing share of the Department's information comes from existing administrative data, most is still collected through businesses and household surveys. In the past year, Statistics Canada has continued to mine administrative records and to explore other means, such as electronic reporting, in an ongoing effort to minimize the burden on respondents. Section IV, Other Items of Interest, provides an overview of initiatives which were pursued in 2005-2006 to reduce response burden.

Operating Environment and Challenges

Close to 95% of Statistics Canada's entire budget is allocated to statistical programs that support statutory requirements, regulatory instruments and contractual obligations. To shape priorities beyond those identified in the heading "Partnerships", the Department seeks guidance from stakeholders, chief of which is the National Statistics Council. A network of advisory committees in major statistical areas also helps to ensure that program outputs are relevant. A rigorous planning system is in place to balance the many and often conflicting priorities and to monitor the progress of approved initiatives. The Department's planning and performance monitoring system maintains the effectiveness of its statistical programs by linking strategic and operational plans and program performance to the resource allocations made and the results to be achieved. Priorities are defined as those programs and technical or management areas most in need of attention over the planning period.

In 2005-2006, a number of initiatives were considered as priorities in the Department: the 2006 Censuses of Population and Agriculture; the Data Gaps Initiative¹; the Health Statistics Program; the Information System for Science and Technology Project; the Environmental

¹ The genesis of the Data Gaps Initiative (DGI) is inextricably linked to the setting up of the Policy Research Initiative (PRI). The federal government, recognizing the need for a strong knowledge base and a policy capacity to meet the increasingly complex challenges facing Canada, set up the PRI to meet this need, to fill critical data gaps in policy areas of importance, and to ensure the effective transfer of this knowledge to policy-makers. Its data development projects constitute the DGI.

Statistics Program; Economic Outcomes of Immigrants and the Business Register Redesign. Amongst these initiatives, preparation for the 2006 Censuses was the main challenge for the Department. In this report, Section II, Analysis of Performance by Strategic Outcome, provides a description of results obtained for departmental priorities and other important initiatives. The information is presented using the Department's Quality Assurance Framework and Strategic Outcomes as presented in the 2005-2006 Report on Plans and Priorities.

Meeting the challenges in 2005-2006

- 2006 Census

The 2006 Census is implementing the most fundamental re-engineering of census methodology in the last 30 years. It responds to major challenges, notably the need to offer an on-line option for filing one's census return. In turn, the control system required the development of a comprehensive address register, and a telephone help line. Three independent security contractors, overseen by a high level audit team chaired by Denis Desautels, carried out the most comprehensive security audit possible. Their report is now on the web site of Statistics Canada (www.statcan.ca) and it provides a totally clean bill of health.

- Addressing information gaps in the health sector

More than 25 years have elapsed since Canada has had a systematic national survey measuring physical markers of Canadians' health, such as hypertension, cholesterol, obesity and physical fitness. The Canada Health Measures Survey will be fielded in late 2006 to address this fundamental data gap and provide federal, provincial and territorial governments with data for initiatives in "healthy living". In 2005-2006, a highly successful pilot of the survey was carried out, as planned. The new kinds of informatics systems required for the joint collection of household survey data and data from the mobile clinics with real time communication to head office are essentially complete. Consultations with both the federal and provincial privacy commissioners have been undertaken and a very good and trusting working arrangement has been created.

- Tracking economic and social outcomes for immigrants

The Longitudinal Survey of Immigrants to Canada (LSIC), because of its longitudinal character, provides a more robust foundation for the analysis of the determinants of different outcomes than cross-sectional surveys available thus far. LSIC is designed to examine the first four years of settlement, a time when newcomers establish economic, social and cultural roots. The survey objectives are two-fold: to study how new immigrants adjust to life in Canada over time; and to provide information on the factors that can facilitate or hinder this adjustment. After being in Canada for two years, 80% of immigrants between the ages of 25 and 44 had found work, but only less than 1/2 of them in their intended occupation; the majority of immigrants working in intended occupations by the end of their second year in Canada were able to find these jobs very quickly, within the first year.

- Expanding economic information on Canada's services sector

Several new price indexes on several major service industries will enable Statistics Canada to more effectively measure real output in the services sector, and thereby improve the measurement of productivity change in the Canadian economy. The project will, over five years, develop price indexes for approximately 30 broad services categories covering over 80% of value-added of the business services sector. In 2005-2006, a price index program for wholesaling margins was initiated and by March 2006 had reached the stage of substantial pilot testing, covering nine wholesale trade groups.

- Pursuing effective and efficient management practices

Several achievements within the Department in 2005-2006 will also improve the program, as these initiatives were aimed at improving business and human resources planning and management. The Department developed a five-year Employment Equity Plan that is fully integrated into its human resources strategy. Other achievements include an exemplary rating on the Departmental Official Languages Score Card following an evaluation of current practices including networking among Official Languages coordinators, sharing of best practices and generally fostering the use of both official languages in the work place.

In accordance with its commitment to continuous improvement, the Department launched the Strategic Streamlining Initiative (SSI) in 2003-2004. Through this initiative, work flows and operations in different parts of the organization were reviewed and enhanced to gain efficiencies without affecting data quality. Though several of these initiatives were successfully completed, others were pursued in 2005-2006. The SSI has become an opportunity for the Department to better position itself to respond to new information needs associated with government initiatives. Such developments include:

- making more efficient use of field resources to collect information;
- a comprehensive review of the approach to surveying Canadian households;
- streamlining central services.

Section II: Analysis of Performance by Strategic Outcome

Statistics Canada’s fundamental purpose is the production of relevant and reliable statistical information. Confidence in the quality of that information is essential. If the information becomes suspect, the credibility of the Department is called into question and its reputation as an independent, objective source of trustworthy information is undermined. Managing the quality of statistical information therefore plays a central role within the overall management of the Department.

The Department defines the quality of statistical information in terms of its “fitness for use”. To measure information quality, the Department uses the six dimensions of its Quality Assurance Framework (www.statcan.ca/bsolc/english/bsolc?catno=12-586-X&CHROPG=1) as defined below.

Performance Criteria	Definition	Ref. Page
Relevance of Information	The degree to which statistical information meets the needs of clients. Information must shed light on the issues of most importance to those who use it. The information produced is needed to support policy formulation and decision-making or to meet emerging issues. Changes are also made to statistical programs, based on external advice, to produce more relevant information for the users.	18-34
Accuracy of Information	The degree to which that statistical information correctly describes the phenomena it was designed to measure. It is usually characterized in terms of statistical estimate errors and is traditionally decomposed into bias (systematic error) and variance (random error) components. It may also be described in terms of the major sources of error that potentially cause inaccuracy: incomplete survey coverage, sampling error, non response (as indicated by response rates), and statistical revision patterns.	35-41
Timeliness of Information	The delay between the end of the reference period to which the information pertains and the date on which the information becomes available. Adherence to pre-announced release dates for regular series is the Department’s main performance measure of timeliness of information. These dates are clearly advertised for the coming year in Statistics Canada’s website at www.statcan.ca .	42-43
Accessibility of Information	The ease with which statistical information can be obtained. This includes the ease as well as the suitability of the form or medium in accessing the information. Access through the Media and Access through the Internet are the two main performance indicators under this criterion.	44-47
Interpretability of Information	Depends on the availability of the supplementary information and metadata necessary to interpret and utilize statistical information appropriately. This information normally covers the underlying concepts, variables and classification used, the methodology of data collection and processing, and indications of the accuracy of the statistical information.	48
Coherence of Information	The degree to which statistical information can be successfully brought together with other statistical information within a broad analytic framework and over time. The use of standard concepts, classifications and target populations promotes coherence, as does the use of common methodology across surveys.	49-51

Relevance of Statistical Information

In the 2005-2006 Report on Plans and Priorities (RPP), the Department indicated that a number of activities were planned to ensure that statistical programs continue to provide statistical information to inform policy formulation and decision making (Section II of the RPP) as well as to meet emerging issues and new challenges. In addition, a number of changes to their statistical programs have been made as a result of direct client feedback and external advice.

This section provides a description of initiatives completed in 2005-2006 with regard to the relevance of statistical information. Survey findings have been summarized and for the reader interested in more detailed findings, a hyperlink to the Department's website has been provided. The information covers the three activities that form the program side of Statistics Canada's mandate: economic statistics; social statistics and census statistics.

The relevance section of this report highlights major achievements in new and emerging areas of statistical measurement. The Department publishes, as part of its ongoing program, statistical information for 29 major economic indicators (ex. Labour Force Survey, Consumer Price Index, Gross Domestic Product) and other statistics, which are highly relevant to Canadians as they are used to develop social, environmental, monetary and economic policies for Canada. A list of the 29 economic indicators is available at the following address:

www.statcan.ca/english/Release/2005.htm.

ECONOMIC STATISTICS

Environment Statistics

Environmental sustainability indicators

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

Statistics Canada has been working closely with Environment Canada and Health Canada to deliver a set of three new environmental sustainability indicators. The indicators cover air quality, water quality for the protection of aquatic life, and greenhouse gas emissions. The first report was released in December 2005. Some of the highlights of this report:

- The national concentration of ground-level ozone, a common and harmful air pollutant, increased 16% from 1990 to 2003.
- Greenhouse gas emissions per unit of economic activity (as measured by gross domestic product) dropped 13% from 1990 to 2003, due in part to efficiency improvements in the energy sector.
- The quality of freshwater, in terms of its ability to support aquatic life, was measured at 345 sites mostly in southern Canada over the period 2001-2003. Quality was rated as 'excellent' or 'good' at 44% of these sites, and 'fair' at 31% of locations. One-quarter of the sites were rated as 'marginal' or 'poor'.

The December 2005 report is available via this link:
<http://www.statcan.ca/Daily/English/051214/d051214c.htm>.

This report is now an annual program.

Greenhouse Gas Emissions Reporting – Phase 1

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

A little over two years ago Statistics Canada was selected by the lead Federal Departments and Provinces and Territories to create a secure one-window reporting system to collect greenhouse gas and related information. Under the direction of the National Steering Committee on Reporting, this information would be collected through a single reporting mechanism under the *Statistics Act*, under the *Canadian Environmental Protection Act* and under provincial regulations such as Alberta's *Climate Change Emissions Management Act* (CCEMA). For the respondent this means only having to report once to different levels of government with the authority to collect the information. For Canadians this is an example of different levels of government working together to minimize reporting costs. In the end the system provides: 1) information to the National Inventory maintained by Environment Canada that reports annually on Canada's emissions of greenhouse gases; 2) the information is used to develop policies and in the tracking of emissions by large industrial emitters of greenhouse gases; 3) information

that feeds into provincial regulations such as Alberta's CCEMA; and 4) information for Canadians on matters related to global warming.

In 2005, Statistics Canada in partnership with Environment Canada and Alberta Environment introduced a harmonized one-window reporting system to collect greenhouse gas and related information from the largest industrial emitters of greenhouse gases in Canada. The secure, one-window, Greenhouse Gas (GHG) emissions reporting system has been a tremendous success, not only with our major partners, Environment Canada and Alberta Environment, but also with respondents who worked closely with us to produce a user friendly system that minimizes response burden.

Last year was the first year of operation of the new system. Information was collected from facilities that emitted 100k tonnes or more of carbon dioxide equivalent in 2004. In total, 324 facilities filed their information through the one-window system by the June 1, 2005 filing deadline. They in turn account for almost 40% (278.9 megatonnes of carbon dioxide equivalent) of all greenhouse gas emissions in Canada. All but a small handful of respondents used the secure electronic reporting option. Information collected was released to the public earlier this year.

Information System for Science and Technology (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

The Survey of Innovation 2005 surveyed 9,000 establishments in Logging and Manufacturing Industries. The first results from this survey were released in *The Daily* on June 2, 2006. Overall, just over two-thirds of plants introduced new products or new production techniques between 2002 and 2004. In the information and communications technology sector, this proportion reached 84%. Facilitated access, using microdata from other Statistics Canada data bases, is an on-going activity.

First findings from the surveys of Intellectual Property Commercialization in the Higher Education Sector (2004) and in the federal government (2004-2005) were released in early 2006. Universities and hospitals reported a higher number of invention disclosures (up 19%) in 2004, compared to 2003. The number of patents increased by 23%, while income from intellectual property commercialization was down by 8% in 2004 to \$51 million. In the public sector, patent disclosures in 2004-2005 were virtually unchanged from the previous year, and the patent portfolio remained relatively stable at around \$15 million in revenues.

Working papers presenting the findings are being prepared. This is an annual survey and questionnaires to collect data for the most recent year have been sent out. First findings from the Survey of Business Incubators were released in March 2006 and will be followed by a working paper presenting the key findings from the survey. Development of the Longitudinal Employment Analysis Program (LEAP) database is also underway with a view to developing new product lines for this very rich data source.

Fuel consumption module added to Canadian Vehicle Survey

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

Natural Resources Canada and Transport Canada provided additional funding for a fuel consumption module to be added to the Canadian Vehicle Survey. The Canadian Vehicle Survey measures road use by vehicles registered in Canada. The fuel module provides data on the actual amount of fuel consumed by individual Canadian vehicles and will facilitate better aggregate measures of fuel consumption, fuel demand and vehicle emissions. Actual measures of road motor vehicle fuel consumption and efficiency will become increasingly important, both from the perspective of greenhouse gas emission measurement and as international demand for fuels increases.

Data for the first quarter of 2005 indicate that winter conditions reduce fuel efficiency. Fuel consumption for light vehicles rose from 10.1 to 11.7 litres per 100 kilometres. Consumption of diesel per 100 kilometres for medium trucks rose from 22.6 litres in the summer to 27.5 litres in the winter; heavy trucks required 35.0 litres, compared to 33.9 litres in the summer. Data for vehicle use indicate that Canadians drive less in the winter than in any other season.

Natural capital index (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information required to meet emerging issues and new challenges
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Work is under way on an index of natural capital wealth. The index will build upon existing measures that evaluate the contribution of natural capital to Canada's national wealth. It will combine data on minerals, energy resources and timber into a single time series. Other natural assets (e.g., water, fish, and land) will be incorporated into the index as the required physical and monetary data are developed. The ultimate goal is a single, easy-to-interpret measure showing whether Canada's total natural capital base is maintained over time or if production and consumption are diminishing our natural wealth without sufficient replacement.

Statistics Canada has prepared a research paper on a natural capital index for Canada and presented the preliminary results at three national conferences. The research paper will be officially released in the fall of 2006; the feasibility of regularly publishing the index will also be assessed in the fall.

Surface water availability (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information required to meet emerging issues and new challenges
--

As part of ongoing efforts to characterize water resources, a new estimate of surface water availability in Canada will be developed. This new information will use stream flow data from across the country and will provide better estimates of water flows in river basins. This will allow improved analysis of water availability issues as they relate to changing supply and demand.

Work proceeded in 2005-2006 on the development of a new surface water availability estimate for Canada. Estimates were prepared and validated for the Mackenzie River Basin, one of Canada's largest and most remote river basins. The methodology employed was presented and approved by the expert community, and will now be adapted for the rest of Canada. This portion of the work is being done jointly with Canada Centre for Remote Sensing (CCRS), which has received funding for this specific initiative. Initial Canada-wide estimates by drainage area are expected by the end of 2006-2007.

Socio-Economic Indicators of "Connectedness" (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information required to meet emerging issues and new challenges
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The Household Internet Use Survey was redesigned to collect information at the individual level in 2005-2006. Results from the new Canadian Internet Use Survey (CIUS) will be released in two stages in August and September 2006 through the Canadian Socio-economic Information Management system (CANSIM) and Canadian Statistics tables and through special custom tabulations. A Public Use Microdata File will be produced in the fall of 2006 and a more complete microdata file will be made available to researchers in the fall at Statistics Canada and in the Data Research Centres in the fall to researchers for specific and approved projects. Analyses of the results of the 2005 CIUS will be undertaken in 2006-2007. Results will be released, where appropriate, through *The Daily* or the *Connectedness Series*.

Measuring the cost of regulatory compliance for small and medium-sized businesses in Canada

Performance Criterion: Relevance

Produce information required to meet new issues and emerging challenges

In response to concerns from Canadian businesses – especially smaller businesses – over the time and cost of regulatory compliance, the government launched the Paperwork Burden Reduction Initiative (PBRI). The ultimate goal of this interdepartmental initiative, headed by Industry Canada, is to identify strategies for reducing regulatory compliance costs. A key component of this initiative is to estimate the actual costs in time and dollars for compliance with key regulatory requirements and to be able to track costs through time in order to measure the impact of regulatory changes put in place by federal, provincial and municipal governments.

Statistics Canada has assumed an important role in this initiative by developing a national benchmark survey that will be conducted every three years to measure time and cost to businesses in complying with the following regulatory requirements (Payroll Remittances, Records of Employment, T4 Summary and Individual T4s, Workers' Compensation – Remittances, Workers' Compensation – Claims, T1 and T2 Income Tax Filing, Federal and Provincial Sales Taxes, Corporate Tax Instalments, Corporate Registration, Mandatory Statistics Canada Surveys, Municipal Operating Licences and Permits and Provincial Operating Licences and Permits). Estimates will be available by business size, region and industry. The survey is currently under way and results will be available in December 2006 in order to feed into the PBRI Report to Parliament.

Services Producer Price Index (SPPI)

Performance Criterion: Relevance

Produce information required to meet new issues and emerging challenges

On March 29, 2005, funding was approved to develop the Services Producer Price Index (SPPI) over the next five years and fill one of the last major remaining gaps in price index coverage. The SPPI program already produces several series; accounting services, computer systems design, data processing services, engineering services, software products development, long-distance wired telecommunications and traveler accommodation. In July 2005, a price index for couriers and messengers services was released. Development is either ongoing or nearly complete for eight out of the 12 new services that have been targeted in years one and two. Currently, pilot tests are in progress for wholesale margins and non-residential rents.

SOCIAL STATISTICS

Health Statistics

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

Projects initiated under the Canadian Health Information Roadmap were designed to produce new, timely and relevant information on the health of Canadians. This information is central to the relatively intense public discussion and policy formulation related to Canadians' health and to our health care system. Statistics Canada, in partnership with several organizations, has developed and produced critical information on emerging issues such as wait times for diagnostic and surgical procedures, unmet health care needs and problems accessing health care, measured obesity, and aging and health at older ages.

- **Wait times for health care**

Responding to the need for timely information on wait times for health care in Canada, Statistics Canada released a report on access to health care services in January 2006, based on a sub-sample of the 2005 Canadian Community Health Survey (CCHS) Cycle 3.1. The report focused on access to specialized services and first contact services. The specialized services include visits to a specialist for a new illness or condition, non-emergency surgeries and selected diagnostic tests. The survey found that waiting times remain the number one barrier for Canadians who had difficulties in accessing specialized health care services in 2005.

Between 2003 and 2005, median waiting times for all specialized services under study remained relatively stable at between three and four weeks. Selected information was provided at the provincial level, thus allowing for a comprehensive assessment of access to care across Canada. The report is available through the following URL:

<http://www.statcan.ca/bsolc/english/bsolc?catno=82-575-XIE>. A more complete analysis, based on 12 months of data, has since been released.

- **Measured obesity**

In July 2005, the first set of results from the 2004 CCHS Cycle 2.2 - Nutrition were released. For the first time in 25 years, Statistics Canada collected measurements of height and weight on a representative sample of Canadians. (Previous data relied on self-reported height and weight.) Results from the survey showed that over the past 25 years the proportion of adults considered obese has increased from 14% in 1978-1979 to 23% in 2004. During the same period, measured obesity rates for children have almost tripled, rising from 3% to 8%. However, Canada's adult obesity rate is significantly lower than the rate of 30% in the United States.

The survey found that as body mass index increases, so does an individual's likelihood of reporting high blood pressure, diabetes and heart disease. Obese individuals tend to have sedentary leisure-time pursuits and to consume fruits and vegetables infrequently. For children, the likelihood of being overweight or obese tends to rise as time spent watching television,

playing video games or using the computer increases. The complete study is available at the following address: <http://www.statcan.ca/bsolc/english/bsolc?catno=82-620-MWE2005001>.

With this cycle, Statistics Canada will also paint the first rigorous statistical portrait of Canadians' diets in three decades. The first set of nationally representative data on not only what foods Canadians are eating, but also in what quantities, and their overall contribution to diet and nutritional status was released in July 2006.

- **Aging and health at older ages**

The 2005 Annual Report "How Healthy are Canadians?" focused on health at older ages. Five articles were published in February and March 2006 and were based on cross-sectional data from the 2003 CCHS and longitudinal data from the first five cycles of the National Population Health Survey (NPHS). The topics included healthy living, need for assistance, health care utilization, seniors in long-term care and predictors of death.

Healthy living

The majority of Canada's 4 million seniors aged 65 or older, 55%, were in good health in 2003. Most were independent, free of functional disabilities and had positive perceptions of their mental and physical health. Exercising frequently, drinking moderately, eating fruits and vegetables often are health behaviours associated with overall good health among seniors. Having a body mass index within the healthy range, reporting low stress levels and feeling connected to one's community are also factors that contribute to seniors' overall good health. Healthy behaviours during the senior years not only help maintain good health over time but also increase the likelihood of recovering after a period of poor health.

(<http://www.statcan.ca/bsolc/english/bsolc?catno=82-003-S20050009086>)

Health care utilization

Seniors are heavy users of the nation's health care system. Seniors represent 13% of Canada's population and account for one-third of all hospitalizations and more than one-half of all hospital days. Over the course of a year, nearly 90% of seniors consult a general practitioner or family doctor, 14% are hospitalized, and 15% receive home care. As well, 92% of seniors report taking at least one type of medication in the past month. The number of chronic conditions is the strongest determinant of the frequency with which seniors use health care services. Once health status and factors such as age and health behaviours are taken into account, differences in education and source of income generally do not affect how often seniors use health care services. (<http://www.statcan.ca/bsolc/english/bsolc?catno=82-003-S20050009088>)

Need for assistance

In 2003, 6% of senior men and 7% of senior women living in private households needed help with activities of daily living such as bathing or dressing. A higher proportion (15% of men and 29% of women) needed help with instrumental activities of daily living such as running errands or doing everyday housework. The need for assistance was closely related to chronic conditions. For some chronic conditions, the pain associated with the condition rather than the condition itself was linked to dependency. Results suggest that effective pain management aids in reducing disability associated with chronic conditions and can enhance capacity to continue living in the community. (<http://www.statcan.ca/bsolc/english/bsolc?catno=82-003-S20050009087>)

Long-term care

Since 1981, the proportion of seniors living in health care institutions has remained about 7%. Looking at longitudinal data from NPHS linked to the Canadian Mortality Database, when the effects of age, sex and the presence of chronic conditions were controlled, over a six-year period, the 40% of institutionalized seniors with positive self-perceived health in 1996-1997 were less likely to die than were those with more negative perceptions. Seniors were more likely to report positive health if they were pain-free and independent in aspects of mobility and personal care. Participation in social activities and feeling close to at least one staff member were significantly related to positive self-perceived health among institutionalized seniors. Results indicate that some factors associated with maintaining a positive perception of health are, in part, modifiable. (<http://www.statcan.ca/bsolc/english/bsolc?catno=82-003-S20050009089>)

Predictors of death

Chronic diseases, notably heart diseases and cancer, are the leading causes of death among seniors. However, this study, using longitudinal data from the NPHS linked to the Canadian Mortality Database, corroborates previous research indicating the independent contribution of psychosocial factors to mortality. Senior women who had high levels of psychological distress in 1994/95 were more likely to have died by 2002-2003 than women who did not have such problems, after controlling for the effects of other potentially influencing factors. Psychological distress includes frequent feelings of sadness, worthlessness or hopelessness. For senior men, low education and widowhood increased the likelihood of dying over the eight-year period. (<http://www.statcan.ca/bsolc/english/bsolc?catno=82-003-S20050009090>)

The General Social Survey on Victimization (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

The General Social Survey (GSS) is an annual survey providing information on social trends in order to monitor changes over time in the living conditions and well-being of Canadians and to provide timely information on specific social policy issues of current or emerging interest.

In the summer of 2005, Statistics Canada released the results of the 2004 GSS on Victimization. This was the fourth GSS survey cycle on victimization, following earlier cycles in 1988, 1993 and 1999. There were two major releases from the 2004 survey, with the first focusing on personal safety and perceptions of the criminal justice system and a second release on criminal victimization in Canada.

Some specific findings from this survey are:

- A growing proportion of Canadians are satisfied with their personal safety from crime. Overall, the vast majority (94%) were satisfied that they were personally safe from becoming a victim. This proportion was up from 86% in 1993 and 91% in 1999.
- Among Canadians who walk alone at night, 10% reported feeling unsafe while doing so. In addition, 20% feared for their safety when they were home alone, and 42% of those who take public transportation after dark felt worried when waiting for or using the transit system.
- The survey also found that feelings of safety varied from province to province. Residents of the Atlantic Provinces were most likely to report being "very" satisfied with their personal safety. Those in the remaining provinces were generally split between feeling "very" or "somewhat" satisfied.
- Over time, there has been little change in the public's opinion on the performance of police. Overall, the majority of Canadians gave their local police a positive assessment. Just under two-thirds (61%) of Canadians thought their local police were performing well for ensuring the safety of citizens.
- Young people were less likely to assess the police in positive terms. Just over one-half of those aged 15 to 24 thought the police did a good job of treating people fairly. This proportion rose to 62% among people aged 45 to 64, and 66% among seniors aged 65 and over.
- The five-year rate of spousal violence has remained unchanged at 7% since 1999. This means that an estimated 653,000 women and 546,000 men encountered some form of violence by a current or previous spouse or common-law partner. While about three-quarters of these individuals indicated that the violence occurred during the marital or common-law union, one-half of female victims and one-third of male victims said the violence either continued or occurred after separation.
- People whose partner was a heavy drinker were six times more likely to experience spousal violence than those whose partner was not a heavy drinker.

- The survey indicates that the risk of violence is particularly elevated at the time of separation, especially in the case of women.
- The report also focused on criminal harassment (commonly referred to as ‘stalking’) experienced by both women and men. The majority of victims were stalked by males, regardless of the sex of the victim.

Longitudinal Survey of Immigrants to Canada (Data Gaps Initiative)

<p>Performance Criterion: Relevance</p>
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<p>Produce information to support informed policy formulation and decision making</p>
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The Longitudinal Survey of Immigrants to Canada (LSIC) looks at how new immigrants adjust over time to living in Canada. During the first phase (April 2001 to May 2002), 12,000 immigrants were interviewed six months after their arrival. In 2003, about two years after their arrival, 9,300 immigrants from the first phase were interviewed again.

Second-phase results show that immigrants of prime working age (25 to 44 years) made significant progress integrating into the labour force, but they still faced some challenges. The employment rate of these immigrants moved toward the national average. Six months after arriving, 50% were employed, fully 30% below the average Canadian rate for that age group. This gap is not surprising, given that six months is not a long time to get settled in the labour force and cope with other issues, such as housing. By the time they had been in Canada one year, their employment rate had risen to 58% and after two years it was 63%. By then, the gap between their rate and the average Canadian rate for 25- to 44-year-olds had dropped to 18%.

Employment rates were highest among those who arrived in Canada with a university degree, but still lower than for other Canadians. This is significant because the vast majority, 87%, of skilled workers aged 25 to 44 arrived with a university degree, compared with just 25% of all Canadians in that age group.

Of those who found employment, about 40% found a job in their intended occupation. The situation was only slightly better among principal applicants in the skilled worker category. These individuals are selected for their suitability for the Canadian labour force based on age, education, work experience, intended occupation, knowledge of Canadian official languages and adaptability.

Despite their challenges, the share of newcomers who said they were satisfied with their job increased from 74% six months after landing to 84% two years after landing.

Workplace and Employee Survey (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

To date, five years of the Workplace and Employee Survey (WES) have been released (1999 to 2003). Collection of the 2004 and 2005 data is now complete and the 2004 data are being validated. The 2004 data are expected to be released in the fall of 2006. The 2005 data will be released in the following year providing researchers with seven years of longitudinal data. In September 2005 a second WES conference was held. This two-day conference showcased new workplace research that documents recent trends in employment, workplace practices, training, workplace outcomes, business strategies and benefits. The vast range of findings includes:

- Workplace productivity is strongly associated with computer-related investments. The correlation is higher when the workforce is highly educated and trained.
- Workers who start using a computer earn 3-6% higher wages (over a two-year period) than other workers. Thus, contrary to what previous studies had shown, the returns to computer use are modest.

The WES has been entirely funded through the Policy Research Data Group (PRDG) of the Policy Research Initiative (PRI). PRDG funds will be provided to collect, process and release data over the next two years.

Postsecondary Transition Surveys (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

This initiative covers three surveys of post-secondary graduates. The Survey of Earned Doctorates is an annual survey and at the present time, work is focusing on finalizing data for the 2004-2005 release, and completing data collection for the 2005-2006 collection period. Data released for 2004 indicate that four out of every five individuals who graduated with a doctorate between July 2003 and June 2004 intended to remain in Canada in the year following graduation. Of the remainder, 13% planned to go to the United States, and the remaining 7% were headed for some other country. Over 60% of foreign students admitted to study in Canada had no plans to return to their country. Just over 40% of doctoral graduates who planned to live in another country after graduation had studied in life sciences programs (agricultural, biological and health sciences).

Processing of data from the 2005 Follow-up Survey of Graduates (Class of 2000), collected during the summer of 2005, is almost complete and work on a release report is underway. Data release is planned for this fall, with a Public Use Microdata File (PUMF) following prior to the end of the fiscal year.

Population projections for Canada, provinces and territories, 2005-2031

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

In December 2005, population projections by age and sex for Canada, the provinces and territories were released. These projections use the most recent population estimates for July 1, 2005, as a starting point and take into account emerging trends in the components of population growth, to project the population up to the year 2031 for the provinces and territories and up to 2056 for Canada.

According to these new population projections, Canada's population could exceed 40 million by the late 2030s. Under the medium-growth scenario, Canada would continue to have, until 2056, a higher rate of population growth than what G8 countries such as Germany, Russia, Italy and Japan currently show. If population growth would continue through 2056 under five of the six scenarios, all scenarios show a considerable aging of the population.

Canada's senior citizens would outnumber children in about a decade. This would be an unprecedented situation in Canada. The projections show that population ageing, which has already begun, would accelerate in 2011 when the first baby-boom cohort (born in 1946) reaches the age of 65. This rapid ageing is projected to last until 2031, when seniors would account for between 23% and 25% of the total population. This would be almost double their current proportion of 13%. By 2031, the number of people aged 65 and over would range between 8.9 million and 9.4 million, while the number of children would range between 4.8 million and 6.6 million. If immigration level is an important factor of future population growth, immigration alone cannot reverse this ageing trend.

The arrival of baby boomers at age 65 also has implications for the work force during the coming decades. In every projection scenario, the proportion of the working-age population, that is the population aged 15 to 64, would decline steadily in the 2010s and 2020s. Currently, the working-age population represents 70% of the total population. By the beginning of the 2030s, it would decline to 62%, then level off at about 60%. However, in absolute number, the growth in the working-age population depends on the scenario. In the medium-growth scenario, the working-age population would grow more and more slowly until 2020, remain steady for a decade, and then resume growing.

Survey of Financial Security (Data Gaps Initiative)

Performance Criterion: Relevance

Produce information required to meet emerging issues and new challenges

Processing of the Survey of Financial Security (SFS) continues. Collection finished in July 2005. The response rate of 70% was lower than that for the 1999 survey. Additional checks of the electronic scanning, made according to the quality control procedures, slowed the processing down somewhat. Despite the extra time for the processing, release is planned for November 2006, 16 months after the end of collection. This represents an improvement over

the time required for the two-part 1999 data release, which was made 21 and 30 months following data collection. The 2006 data release will combine asset and debt information supplied by the respondent with the estimated value of pension plan benefits (from employers' private pension plans).

The survey data will help update several studies on the wealth of individuals, families and seniors. The 1999 survey was conducted before the stock markets fell in 2001. The value of the residential sector had not experienced the substantial rises that have been observed in more recent years. And a certain number of pension plans have shown actuarial deficits. These factors could influence family wealth, and although a survey is not necessary every year, this periodic portrait will allow us to see how the situation has changed. A section has been added to examine the transition to retirement.

Given that the funding for this survey will end in 2006-2007, the activities have been reviewed to make sure that the research files are documented and produced within the fiscal year.

Canadian Health Measures Survey

Performance Criterion: Relevance

Produce information required to meet new issues and emerging challenges
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In response to the top priority given to health issues by Canadians and their governments over the last several years, Statistics Canada has considerably expanded its Health Statistics Program.

Nevertheless, important health data gaps and limitations still remained. One of these is statistics on health status, which has been almost entirely based on self-reporting by Canadians.

The aim of the Canadian Health Measures Survey (CHMS) is to collect direct physical measures, such as height, weight, plus other measures to assess obesity, lung function, physical fitness, and blood pressure, as well as many derived measures based on blood and urine samples. For the first time in almost 30 years, the CHMS will provide nationally representative data on indicators of chronic diseases, fitness, exposures to environmental contaminants, nutritional status, infectious disease markers and risk factors, such as cholesterol, as well as data on protective characteristics for these areas.

The survey will also provide clues on the extent to which many diseases may be undiagnosed among Canadians (hypertension, high cholesterol, diabetes, poor lung function, etc.) and will serve to study relationships among measured disease risk factors and health status based on direct measures. This will result in more precise and informed health promotion programs available to the Canadian population and could provide the platform for ongoing bio-monitoring on clean air and water initiatives. The CHMS has a broad base of support from government, research and regulatory agencies.

Activities in 2005-2006 focused on finalising the survey content through consultations with Health Canada, the Public Health Agency of Canada and numerous CHMS expert advisory committees. Survey instruments, communications material and plans for returning test results to

the survey respondents were focus tested. Initial collection plans, the sampling strategy and the specifications for the purchase of physical measurement and laboratory equipment were also developed. The information technology architectural plans were designed and approved. Analytical plans and research partnerships were put in place. Finally the survey plans were reviewed by Health Canada's Research Ethics Board and the Office of the Privacy Commissioner through a series of meetings, and a comprehensive Privacy Impact Assessment was begun.

CENSUS STATISTICS

2006 Census of Population

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

The 20th Census of Population since Confederation will take place on May 16, 2006. The 2006 Census is an ambitious undertaking that introduces to the collection and processing methodologies some of the most significant changes in over 30 years:

- In the fall of 2005, over 9 million addresses were verified and changes made by over 2,000 field staff throughout the country. This task, known as the block canvass operation, was completed on time, within budget and with a high level of quality. These addresses will subsequently be used to mail out questionnaires, for the first time, to approximately 70% of the dwellings in Canada. Forms for the remaining 30% of the dwellings will be delivered by field enumerators.
- Canadians, for the first time, will have the option to complete their questionnaire securely over the Internet.
- All census returns will be sent to one processing centre; follow-up for missing information will be conducted through computer-assisted interviewing. Intelligent character recognition technologies will be used in lieu of manual data capture to digitize responses.
- Thirty-six local Census offices, three call centres, a national warehouse and a data processing centre will be set up to support field operations and carry out data processing tasks. Maps, training and other materials were prepared on schedule.
- The 2006 Census public communications program has made great strides in soliciting third-party support, securing necessary media buy-in, and procuring paid advertising services. Public- and private-sector organizations understand the significance of full participation for the quality of census results. By the end of November 2005, 900 companies had agreed to support the census—30% more than at the same point prior to the 2001 Census.
- The geographic frame is jointly maintained by Statistics Canada and Elections Canada. Over 100,000 maps and related products have been supplied to support census field operations.

Census of Agriculture

Performance Criterion: Relevance

Produce information to support informed policy formulation and decision making

The Census of Agriculture entered its critical final year before Census Day in excellent shape. The questionnaire was gazetted on April 16, 2005, along with the Census of Population questionnaire and then posted on the Statistics Canada website. Aside from its core questions, Census of Agriculture questions on organic products and on manure were refined and expanded to provide better information.

Among the tools investigated to help validate census-reported land use is satellite imaging. Work also continues on gathering land use information from administrative sources such as the Saskatchewan Assessment Management Agency and the Ministry of Intergovernmental Affairs and Trade in Manitoba.

With processing systems poised and ready, and collection procedures fine-tuned with the Census of Population, the Census of Agriculture also developed its product line and dissemination strategy. And together with the Census of Population, a human resources hiring strategy was put into place to accommodate the needs of both censuses for the processing period June 2006 to April 2007.

Accuracy of Statistical Information

The accuracy of statistical information is the degree to which that information correctly describes the phenomena it was designed to measure. It is usually characterized in terms of statistical estimate errors and is traditionally broken down into two components: bias (systematic error) and variance (random error). It may also be described in terms of the major sources of error that potentially cause inaccuracy: incomplete survey coverage, sampling error, non response (as indicated by response rates), and statistical revision patterns.

Statistics Canada uses a wide range of statistical methodologies and quality assurance practices to manage and control errors. For the more critical statistical information—such as the population counts from the Census of Population, employment and unemployment measures, the Consumer Price Index and measures of economic production—more resources are applied to assure a high degree of accuracy. In addition, all hard copy and electronic data releases undergo ‘institutional’ quality verification within the Department to ensure that data users obtain sound products. There are, however, limits to the degree of accuracy that can be achieved at a realistic cost. All statistical data, regardless of the source, are subject to some degree of error.

Statistics Canada’s Policy on Informing Users of Data Quality and Methodology (www.statcan.ca/english/about/policy/infousers.htm) requires each data release to be accompanied by, or make reference to, descriptions of methodology. The definitions, data sources and methods used for all Statistics Canada’s surveys can be accessed on the website: www.statcan.ca/english/concepts/index.htm.

SURVEY COVERAGE

Performance Criteria: Accuracy of Statistical Information

Survey Coverage

Every survey has a target population, which is the set of elements about which information is required. The survey frame is the concrete set of units that delimits, identifies and allows access to the elements of the target population. Coverage errors occur when there are discrepancies between the target population and its corresponding survey frame due to omissions, erroneous inclusions, duplications and misclassifications of units in the survey frame. Such errors may cause a bias in the estimates produced from the survey. The accuracy of survey frames is crucial to the accuracy of survey results.

- **Business Surveys: Business Register Redesign**

The majority of Statistics Canada's economic surveys use the Business Register as their frame. The Business Register is a central repository containing all significantly active businesses in Canada, together with contact and classification information for these businesses.

Administrative sources from the Canada Revenue Agency (Business Number registrations, T1, T2 and GST files) are used to maintain the Register as a current list of businesses. Surveys rely on the Register for many of their activities, particularly with respect to sampling, data collection and the production of estimates. The Business Register is a key component of Statistics Canada's economic statistics program.

The Business Register's overall structure and technological environment were established twenty years ago. In 2005-2006, the Department began a complete redesign of the Register in order to ensure its ongoing capacity to fulfill its mission in the years to come. The primary objectives of this project are to simplify and update the concepts and operational processes, to facilitate the use of the Register through the utilization of more modern, user-friendly technology, and to enhance the timeliness of the information included in the Register. This modernization will also help reduce the operating cost of the Register and increase Statistics Canada's capacity to reduce and effectively manage business response burden, an ongoing departmental priority.

The redesign of the Business Register is a three-year project. During its first year, all aspects of the work progressed as planned. We revised the conceptual framework, developed the technological architecture, particularly for the database structure, and began building most of the components of the new Register. We also developed the plan that will allow surveys to make the transition from the old to the new Business Register.

- **Household Surveys**

Many household surveys, including the Labour Force Survey (LFS), make use of a common area frame that covers all of the geography of Canada's provinces and territories, with some

exceptions². A sample of geographic areas is randomly selected from this frame. Within the selected areas, households are chosen at random from compiled lists of dwellings and household members are contacted for data collection. Coverage problems can arise if some dwellings are missed in the lists, or if households in selected dwellings fail to report some of their members.

To minimize coverage errors and their effects in household surveys, Statistics Canada relies on a variety of statistical tools and methods, including the Address Register (AR). The AR contains the address, postal code and a geographic location code for 12 million residential dwellings. The main purpose of the AR is to provide information to support the data collection activities of both the Census and household survey programs at Statistics Canada, including the reduction of coverage errors. The majority of addresses on the AR come from current and previous Census enumeration activities. During the inter-censal period, a number of administrative sources of addresses, such as telephone billing files, are also used to supplement the census source.

The most recent redesign of the LFS sample, which was completed in 2004 based on the 2001 Census of population data, includes many methodological innovations aimed at improving both the quality and efficiency of the survey. One such improvement is the expanded use of the Address Register. In addition, the coverage of the LFS is monitored, in part, by comparing the estimate of total population obtained directly from the survey sample to the official population estimates. To minimize the effects of coverage errors, the survey estimates are statistically adjusted so that the published survey results cover the total population.

Some household surveys make use of a telephone frame. This is cost-effective for the vast majority of Canadian households but omits those not accessible by telephone. Where needed, an area frame is used in combination with a telephone frame to improve coverage.

For surveys aimed at particular subsets of the population (for example, persons within certain age groups) an existing list frame of persons (or households) may be used. Such a list may have been derived from an administrative data source or, in the case of post-censal surveys, from the Census of Population.

² Indian reserves, members of the armed forces and inmates of institutions are excluded from the Labour Force Survey.

SAMPLING ERROR

Performance Criteria: Accuracy of Statistical Information

Sampling Error

Most surveys are based on a sample of the target population. Sampling is an important means of achieving a more effective allocation of resources, ensuring appropriate relevance across programs, yielding more timely results, and in other ways improving data accuracy. Because of sampling, the Department is able to do more with less.

Estimates based on a sample can be expected to vary from sample to sample, and to differ from those that would result from a complete census. The expected size of these variations depends on the sample design, among other factors. Greater reliability is achieved by optimizing these sample designs.

The reliability of each estimate can be measured from the sample data. The measure of reliability that is most frequently provided to users is the 'coefficient of variation' (CV). A low CV means a high degree of statistical confidence in the reliability of the associated estimate. Conversely, a higher CV would mean a lower degree of statistical confidence in the reliability.

The coefficients of variation for the primary estimates or results from the Department's mission critical surveys are presented in Table 2.

Table 2: Coefficients of Variation for Mission Critical Surveys

Mission critical survey ¹	Topic	Coefficient of variation			
		2002-2003	2003-2004	2004-2005	2005-2006
					%
Labour Force Survey					
Employment	Total employment	0.3	0.2	0.2	0.3
Unemployment	Total unemployment	1.8	1.9	1.9	2.0
Monthly Survey of Manufacturing	Total shipments	0.5	0.6	0.6	0.6
Monthly Wholesale Trade ²	Total wholesale sales	1.1	1.1	0.7	0.8
Monthly Retail Trade ²	Total retail sales	1.2	1.3	0.6	0.7
Survey of Employment, Payrolls and Hours	Employees	0.1	0.1	0.1	0.1
Quarterly Financial Survey	Total operating revenue	0.8	0.7	0.6	0.6
Notes:					
1. This table omits those mission critical surveys that do not use random sampling in producing their estimates (Consumer Price Index, International Trade and the Industrial Price Index).					
2. The Monthly Wholesale and Retail Trade Surveys were redesigned and survey results released starting in fiscal year 2004-2005. A number of improvements were introduced which have lowered significantly the overall coefficient of variation for the surveys. The improvements include lower target coefficients for certain industry trade and geography groups, better sample stratification as a result of improved size measure for the population, enhanced edit procedures at collection and during analysis, and improved statistical treatment of non-response.					

The coefficients of variation presented in the table above are all very low and thus the estimates are considered very reliable. This speaks to the importance of these programs. More disaggregated results from these programs would tend to have higher CVs since, typically, as the size of the sub-group of interest decreases, the CVs of the related estimates rise.

RESPONSE RATES

Performance Criteria: Accuracy of Statistical Information

Response rates

The accuracy of the data disseminated by Statistics Canada is directly related to the accuracy of the data provided by the respondents to the Department's surveys and censuses. It follows that an important indication of accuracy is the percentage of respondents asked to provide data who actually do so. It can be expected that the higher this response rate, the greater will be the accuracy of the survey results.

Overall response rates (expressed as a percentage of total sample) for the Department's mission critical surveys are presented in Table 3 below.

Table 3: Response Rates for Mission Critical Surveys

Mission critical survey ¹	Response rates			
	2002-2003	2003-2004	2004-2005	2005-2006
			%	
Labour Force Survey	94	93	92	91
Monthly Survey of Manufacturing ²	97	94	92	95
Monthly Wholesale Trade Survey	93	92	94	92
Monthly Retail Trade Survey	95	93	94	92
Survey of Employment, Payrolls and Hours	87	89	88	89
Quarterly Financial Survey ³	82	81	82	75
Industrial Product Price Indexes	94	94	94	93
Notes:				
1. This table omits the Consumer Price Index, International Trade and Quarterly Gross Domestic Product surveys, which do not collect data directly from respondents.				
2. The lower response rate in 2003-04 was due to both the electricity shut-down in Ontario as well as the interviewers' strike. In 2004-2005, the lower response rate has been attributed to a number of factors: respondent apathy; consolidation of the Monthly Survey of Manufacturing (MSM) collection to two Regional Offices; transfer of more experienced staff in the Regional Offices to work on the Census of Population; and less experienced staff to work on the MSM.				
3. Response rates for the Quarterly Financial Survey are based on annual averages; the data presented above for the most recent year will improve over time to reflect receipt of late responses and revisions.				

It is generally accepted that for most surveys, a 100% response rate is not a practical possibility. The Department ensures that reasonable efforts are made to achieve an acceptable response rate (as well as to obtain accurate responses) while producing timely data without undue burden on respondents. Among a variety of methods, this is usually achieved by having good questionnaire design, using tested and proven procedures and operations, providing respondents with information on the purposes of the data collection, following up with non-respondents (for economic and business programs, the main focus of follow-up being the major contributors to the estimates), and making suitable statistical adjustments to the data when complete response is not achieved.

Clearly, obtaining complete and accurate response requires the co-operation and support of respondents. Information is published on the Department's website for survey participants (www.statcan.ca/english/survey/index.htm), explaining what they should expect when they

participate in a survey, the importance of the survey, Statistics Canada's commitments for preserving the confidentiality of the information provided and a list of frequently asked questions about the survey.

STATISTICAL REVISION PATTERNS

Performance Criteria: Accuracy of Statistical Information

Statistical revision patterns

Economic and socio-economic time series are statistical records of the evolution of economic processes through time, generally compiled for consecutive periods such as months, quarters or years. Time series contribute greatly to understanding both the trends and underlying causes of social and economic phenomena. While revisions to statistical estimates are often necessary, they impact directly on users of statistical information by altering the users' understanding of these phenomena and, in turn, affecting their decision making.

Statistics Canada strives to minimize revisions to statistical estimates by facilitating reporting, ensuring that questionnaires are easily understood, making use of new technology to better accommodate respondents' ability to report, and conducting internal reviews to ensure that collection and data-processing procedures yield effective results.

An incomplete processing cycle is the principal reason for revisions. Other planned activities, such as changes to classification systems or modifications to baskets of goods and services on which indices are based, also result in revisions. Revisions to Statistics Canada's series are made with a view to balancing the competing demands of accuracy and timeliness.

Table 4 indicates the average size and range (for 2005 only) of percentage revisions of some key programs. Average size of revision is defined as the absolute percentage revision averaged over the 12 (for monthly surveys) or four (for quarterly surveys) releases during the year. The last revised estimates before annual revisions are used in calculating revision sizes. In 2005, except for International Trade statistics, the revisions were usually less than half a percent, either upwards or downwards, as indicated in the range of the percentage revision.

Table 4: Revisions of Mission Critical Programs in 2003, 2004 and 2005

Mission critical program ¹	Topic	Frequency	Average size of revision			Range of percentage revision
			2003	2004	2005	2005
						%
Monthly Survey of Manufacturing	Shipments	Monthly	0.38	0.35	0.34	0.0 to 0.6
International Trade ²	Total exports	Monthly	0.43	0.35	1.23	-2.52 to 2.50
	Total imports	Monthly	0.30	1.10	0.50	-0.61 to 1.30
Monthly Wholesale Trade	Total wholesale sales	Monthly	0.39	0.39	0.34	-0.73 to 0.52
Monthly Retail Trade	Total retail sales	Monthly	0.17	0.23	0.13	-0.05 to -0.53
Real Gross Domestic Product	GDP	Quarterly	0.05	0.07	0.03	-0.1 to 0.1
Survey of Employment, Payrolls and Hours	Employment	Monthly	0.01	0.04	0.03	-0.14 to 0.17
	Operating revenue	Quarterly	0.23	0.25	0.27	-0.46 to 0.28
Industrial Product Price Indexes	Price index	Monthly	0.21	0.46	0.20	-0.09 to 0.46
Notes:						
1. This table omits those mission critical programs that do not regularly revise estimates (Labour Force Survey and Consumer Price Index).						
2. The range of revisions for imports and exports is greater in 2004 and 2005. This is mainly due to the increased volatility of energy prices that makes preliminary estimates of value more difficult to produce.						

Timeliness of Statistical Information

The timeliness of statistical information refers to the delay between the end of the reference period to which the information pertains and the date on which the information becomes available. It is typically involved in a trade off against accuracy. The timeliness of survey release is generally quite stable and changes occur over a long period of time. Change is often brought about when surveys undergo major redesigns.

Timeliness is clearly visible to users and easy to track. The choice of a timely target is closely related to relevance since information may not be useful if it is not available on time. Given timeliness targets, two performance measures are useful. The first is the existence of pre-announced release dates—and adherence to these dates—for regular series. The second is improvements in the timeliness achieved on the basis of how long it takes to release the information. However, this measure has to be considered in conjunction with other factors since improvements that are achieved at the expense of accuracy, or at undue cost, may not represent an overall improvement in performance. Clients have consistently preferred to maintain existing timeliness, if improved timeliness implies larger subsequent statistical revisions or a reduced level of statistical detail. Furthermore, users place great emphasis on the predictability of release dates.

Pre-Established Release Dates

Performance Criteria: Timeliness of statistical information
Pre-established release dates for major economic indicators

At the beginning of each fiscal year, Statistics Canada publishes on its website release dates for the coming year for all 29 major economic indicators, by month. These dates can be accessed at the following address: www.statcan.ca/english/Release/index.htm.

In 2005-2006, the Department published a total of 307 releases of these 29 major economic indicators, and all were released as scheduled. In addition, the Department published 990 other releases for which there was no pre-established release date.

Elapsed Time Between Reference Period and Release Dates

Performance Criteria: Timeliness of statistical information
Measures of elapsed time between reference period and release dates for mission critical surveys

The elapsed time between reference period and release dates for mission critical programs is a timeliness measure that serves to test the relevance of the statistics in terms of the ‘freshness’ of the information released. Table 5 highlights the timeliness of a selection of major releases.

Table 5: Elapsed time between reference period and release dates of selected mission critical programs

Mission critical program	Frequency	Elapsed Time¹
Labour Force Survey	Monthly	20 days
Consumer Price Index	Monthly	21 days
Monthly Survey of Manufacturing	Monthly	45 days
International trade	Monthly	42 days
Monthly wholesale trade	Monthly	50 days
Monthly retail trade	Monthly	52 days
Gross Domestic Product	Quarterly	61 days
Survey of Employment, Earnings and Hours	Monthly	57 days
Quarterly financial statistics for enterprises	Quarterly	56 days
Industrial Product Price Indexes	Monthly	30 days
Note:		
1. Elapsed time is measured in calendar days and may vary, for example, depending on the number of business days in a given month.		

In addition to the mission critical programs noted above, Statistics Canada's Unified Enterprise Statistics (UES) Program (a series of annual business surveys) has seen a continual improvement in the timeliness of releases. When one compares to the 1998 reference year, where 16 of the 18 UES surveys at that time were released no earlier than 18 months after the end of the reference period, the improvements are notable. In recent years, all annual business surveys have a targeted release date within 15 months of the end of the reference period. As of reference year 2003, the number of UES surveys had surpassed 40 and nearly all had met this standard. For reference year 2004, all UES surveys have met the target release dates. Currently, the processing of business surveys has improved substantially to the point where a growing number of surveys (all from the services sector) now release their estimates within 12 months of the end of the reference period.

Accessibility of Statistical Information

As the national statistical agency, Statistics Canada serves a broad range of users —businesses, labour unions, academic institutions, the media, the general public and all levels of government. The Department's overall objective is to make its statistical information widely available in a way that keeps the Canadian public well informed about the social, economic and general conditions in which they live. Most information users fall into two broad categories: by far the largest number acquire their statistical information through the media or are general users of the website at www.statcan.ca. For these users, the Department strives to offer free, user-friendly information. The other category of users consists of either businesses or government organizations that require large-volume, specialized information. The Department charges them on a cost recoverable basis for this service. Finally, the Department also provides a single point of access to its products and services through a national contact centre for telephone and e-mail inquiries.

The Department continues to see an increase in the number of users accessing its services as a result of the shift to electronic dissemination which has allowed Statistics Canada as a whole to serve more people than ever before. Students and teachers can access Statistics Canada information through the Learning Resources Module (www.statcan.ca/english/edu/index.htm) of the website. The Data Liberation Initiative (www.statcan.ca/english/Dli/dli.htm) has provided academia with affordable and equitable access to Department data since the program began in 1996. The Research Data Centre (RDC) program is part of an initiative by Statistics Canada, the Social Science and Humanities Research Council (SSHRC) and university consortia and was introduced to help strengthen Canada's social research capacity and to support the policy research community. The Media Room (www42.statcan.ca/smr_r000_e.htm) was recently introduced on the Department's website to provide easier access by journalists to products and services offered.

The Department's standards of service to the public (www.statcan.ca/english/about/servic.htm) as well as performance information (www.statcan.ca/english/about/webeval.htm) are published on the website and a departmental contact name is provided for clients not satisfied with the service received. Over the years, the number of complaints received has been minimal. The Status Report on the Service Improvement Initiative in Section IV will provide more information on service improvement initiatives at the Department.

The accessibility of statistical information refers to the ease with which it can be obtained. It is measured in terms of media inquiries and citations and visits and page views on the website.

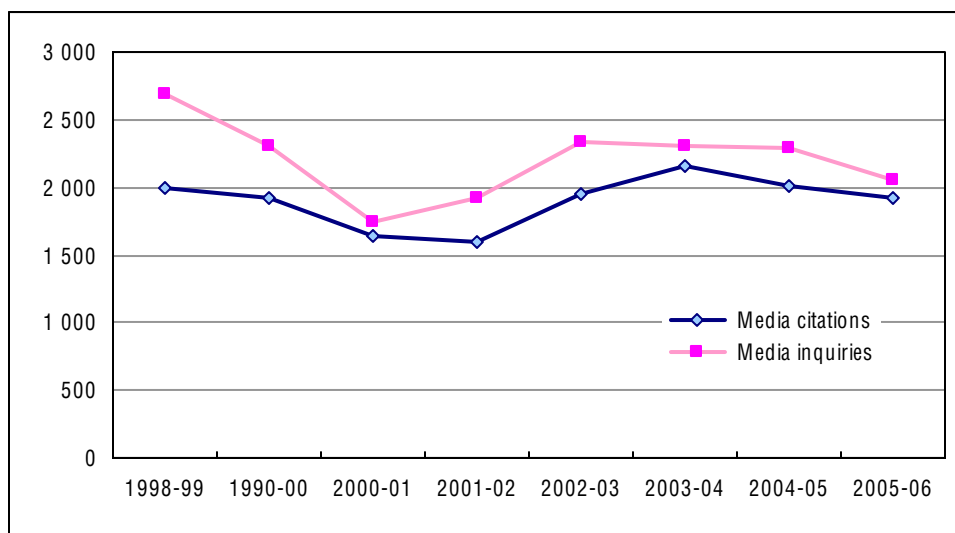
ACCESS THROUGH THE MEDIA

Performance Criteria: Accessibility of statistical information through the media

Media inquiries and citations

The Department's media monitoring program tracks coverage in 42 major newspapers as well as three national radio and television networks, and also tracks journalist inquiries through the media hotline service. In 2005-2006, media citations averaged 160 per month and media inquiries totalled 170, evidence that the Department's releases continue to enjoy broad coverage in the media. Peak levels of media citations usually coincide with the release of Census data.

Figure 1: Media Inquiries and Citations



ACCESS THROUGH THE INTERNET

Performance Criteria: Accessibility of statistical information through the Internet

Visits and page views on STC website

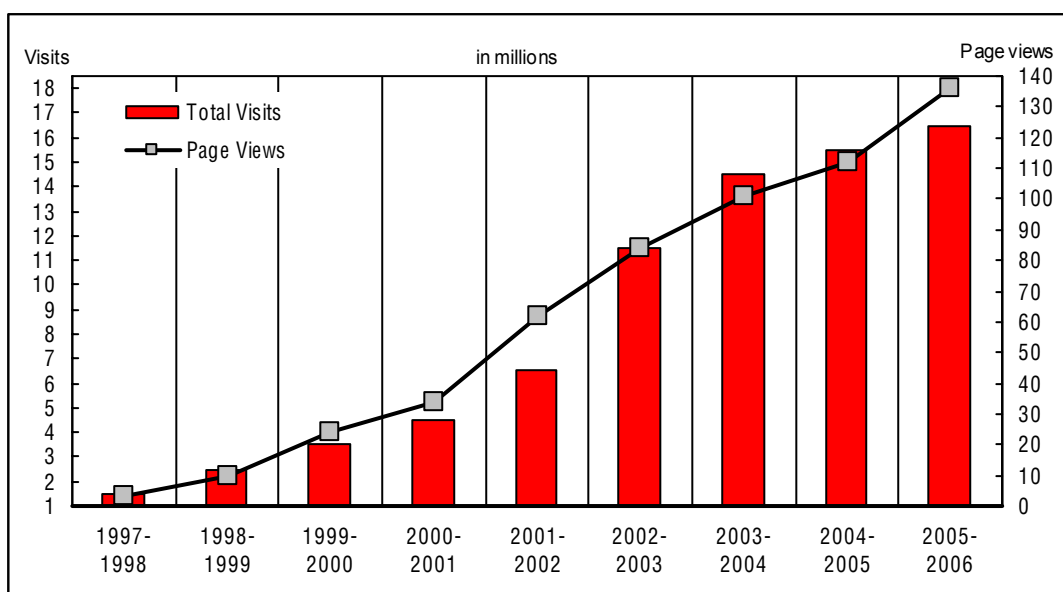
Statistics Canada's marketing and dissemination effort centres on making its information more accessible to its various users through the Internet and the National Contact Centre. From 2004-2005 to 2005-2006, the number of visits to the Department website increased by 8% to just over 16 million and the number of page views increased by 23% to 137 million. During the same period, the number of enquiries received through the toll-free telephone enquiry service, electronic messaging services and e-mail service *Contact Us* declined by 20% to reach 245,000 enquiries. There were some organizational changes in the past year, including the closing of regional reference centres, however, part of this decline can be attributed to the increasing use of the website, where people are finding much of the information they need on their own. Although there were no major Census releases in 2005-2006, the Census module continued to

receive more than 29 million page views, representing 21% of total page views for the Department website.

Statistics Canada conducts regular website research, including analysis of traffic and information used, usability testing of new features and an annual study to obtain feedback from end-users through the use of an on-line survey. In 2004-2005 significant changes were made to the site. The Search tool was modified to increase ease of use, provide more accurate results and allow access to additional information. An improved method to find information by subject and display results was also added. In addition, the web modules, Canadian Statistics and Community Profiles, were redesigned to be more user-friendly. Overall satisfaction with the site increased by 6% over the past four years, with just over 77% of respondents reporting being either satisfied or very satisfied with their overall experience with the site. Students continue to be the most frequent users of the site, with college and university students accounting for 31% of site visits. More detailed information on the website traffic and satisfaction measurement is available directly on line at the following address: www.statcan.ca/english/about/webeval.htm.

The number of total visits and page views on the Department’s website has increased constantly since 1997, as indicated in Figure 2 below.

Figure 2: Visits and Page Views from 1997 to 2006



Research Data Centres

Performance Criterion: Accessibility of statistical information

Facilitating statistical research that will illuminate current issues

The partnership between Statistics Canada, the Social Sciences and Humanities Research Council (SSHRC), and the Canadian Institutes of Health Research (CIHR) and the 40 universities that constitute the Research Data Centre (RDC) network is proving to be an effective and important part of the social science research infrastructure in Canada. The core of a body of policy relevant research findings is emerging from the Research Data Centre Program. Approximately 300 articles on topics that are important for the continued development of Canadian Society have been published in a variety of fora, including official government publications, scientific journals and monographs. Findings for 56 of these studies were put into the public domain through *The Daily*, Statistics Canada's official release vehicle, in 2005-2006.

Interpretability of Statistical Information

The interpretability of statistical information refers to the availability of the supplementary information necessary to interpret and utilize the data appropriately. This supplementary information, known as meta-information or metadata, normally covers the underlying concepts, variables and classifications used; the methodology of data collection and processing; and indications of the accuracy of the statistical information. Also, the interpretability of the Department's statistical products is enhanced by ensuring that their official release in *The Daily* clearly enunciates the main findings of the release in a language that illustrates their relevance and can be easily used by the media in publicizing the results.

AVAILABILITY OF SUPPLEMENTARY INFORMATION

Performance Criteria: Interpretability of statistical information

Availability of supplementary information to interpret and utilize the data appropriately

Statistics Canada's Policy on Informing Users of Data Quality and Methodology requires that a description of the concepts and methodology used in collecting and compiling the data, together with information on the accuracy of the data, be provided with all statistical products. The Department's primary vehicle for disseminating this information and satisfying the requirements of the policy is the Integrated Meta Data Base (IMDB).

The IMDB is a central repository containing information on variables, questionnaires, data sources, statistical methodology and measures of data accuracy for the Department's 570 or so surveys and statistical programs. For each IMDB record, there are also direct links to other Department statistical products, such as *The Daily* and the Canadian Socio-economic Information Management system (CANSIM) tables, links to other reference periods and a chronology of changes to program content or methodology back to November 2000.

During 2005-2006, the Department continued to enhance the content of the IMDB. In particular, information on variables and their related classifications was released for the Annual Survey of Manufactures and a number of other business surveys. Also, the IMDB was adapted to integrate the metadata for the System of National Economic Accounts (SNEA), which comprises multiple surveys and statistical programs, into one framework. The SNEA module with its many links to the IMDB was released on the Internet in January 2006 (<http://www.statcan.ca/english/nea-cen/index.htm>).

Definitions, data sources and methods used for all Statistics Canada surveys and statistical programs are available on line at the following address:
www.statcan.ca/english/concepts/index.htm.

Coherence of Statistical Information

The coherence of statistical information reflects the degree to which it can be successfully brought together with other statistical information within a broad analytic framework and over time. The use of standard concepts, classifications and target populations promotes coherence, as does the use of common methodology across surveys. Coherence does not necessarily imply full numerical consistency.

USE OF CLASSIFICATION SYSTEMS

Performance Criteria: Coherence of statistical information

Use of classification systems

The use of standard classification systems by surveys and statistical programs ensures rigour and consistency between them, thus making them coherent with one another. The following table highlights the use of various standard classification systems for selected key surveys conducted by Statistics Canada.

Table 6: The Use of Standard Classification Systems for Selected Programs

Major program	North American Industry Classification System (NAICS)	Standard Classification of Goods or Harmonized System (SCG or HS)	National Occupational Classification – Statistics (NOC-S)	Standard Geographical Classification (SGC)
Labour Force Survey	✓	N/A	✓	✓
Consumer Price Index ¹	N/A	N/A	N/A	✓
Monthly Survey of Manufacturing	✓	N/A	N/A	✓
International Trade	✓	✓	N/A	✓
Monthly Wholesale and Monthly Retail Trade	✓	N/A	N/A	✓
Monthly/Quarterly Gross Domestic Product	✓	✓	N/A	N/A
Survey of Employment Payrolls and Hours	✓	N/A	N/A	✓
Quarterly Financial Survey	✓	N/A	N/A	N/A
Industrial Product Price Indexes	✓	✓	N/A	✓
Notes:				
✓ Indicates that the classification is used.				
N/A Indicates the classification is not applicable.				
1. Given the nature of the survey (pricing the basket of goods), the CPI uses its own classification system for products.				

SELECTED INITIATIVES TO IMPROVE COHERENCE

- **North American Product Classification System (NAPCS)**

The North American Product Classification System is a harmonized classification that was developed jointly by Canada, Mexico and the United States in order to improve tri-national comparability of their respective national statistics on products. More information about this new (completed in 2005) classification is available at:

<http://www.statcan.ca/english/Subjects/Standard/napcs/napcs.htm>.

During 2005-2006, a three-year plan has been developed for the implementation of NAPCS in the Department's statistical programs, where applicable. The Annual Survey of Manufactures and surveys covering services industries have already started to implement NAPCS in their questionnaires. The full implementation of NAPCS, including the National Economic Accounts, is scheduled for 2007 reference year data.

- **North American Industry Classification System (NAICS) 2007**

Revisions have been finalized by Canada, Mexico and the United States for the 2007 version of NAICS. Major updates occurred in the area of telecommunication and internet services to better reflect these rapidly evolving industries. More information about changes in NAICS 2007 is available at: <http://www.statcan.ca/english/concepts/propchгнаics2007.htm>.

Implementation of NAICS 2007 by various surveys and statistical programs in the Department is scheduled to start in January 2007. Both electronic and paper versions of the NAICS 2007 manual and coding tools will be available in March 2007.

The North American Industry Classification System continues to provide a common classification system for industrial data among the three countries. Also, the concordance between NAICS 2007 and recently revised international classifications (e.g., the International Standard Industrial Classification (ISIC Revision 4) and la Nomenclature générale des activités économiques dans la Communauté Européenne (NACE)), has been improved. Definitions of classes allow statistical data collected on a NAICS basis to be re-aggregated into the two-digit divisions of ISIC Revision 4 as recommended by the United Nations' Statistical Commission.

- **Classification of Instructional Programs (CIP Canada 2000)**

The first Canadian version of the Classification of Instructional Programs was released in 2005. CIP Canada 2000 replaces the Major Field of Study classification, as well as a number of other classifications previously used for postsecondary-level education statistics. The process of implementation is now well underway. CIP is being used to code the field-of-study question in the 2006 Census of Population. It is also being used for the coding of field-of-study data in a variety of surveys of postsecondary education such as the Enhanced Student Information System as well as in other socio-economic surveys.

CIP Canada 2000 is based on the U.S. version of the classification thus enhancing comparability with U.S. education data. Discussions are underway to produce a revised version of the classification to be released in 2010. The classification is available at:

www.statcan.ca/english/concepts/definitions/education09.htm.

- **On-line database for North American Transportation Statistics (NATS)**

The NATS database is a unique on-line source, accessible to the public, for comprehensive information on transportation activity. Hosted by Mexico, this database is the result of a tripartite initiative representing the transportation and statistical agencies of Canada, the United States and Mexico. As the economies of the three NAFTA partners have become more integrated, demand has increased for improved comparability of statistics for key transportation data time series involving these three countries. During the past year, data were updated, an improved updating tool was developed and more tables are planned for release in 2006-2007. The database is averaging over 15,000 queries a month.

Section III: Financial Performance

Table 7: Comparison of Planned to Actual Spending (including FTE)

(\$ millions)	2003-2004 Actual	2004-2005 Actual	2005-2006			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
Economic Statistics	200.4	216.9	177.5	177.7	190.7	190.7
Social Statistics	131.4	152.0	144.2	144.0	157.1	156.1
Census Statistics	96.2	93.9	189.0	188.9	211.6	211.6
Total	428.1	462.8	510.7	510.6	559.4	558.4
Less: Non-Respendable revenue	0.8	0.8	N/A	0.8	N/A	0.8
Plus: Cost of services received without charge	50.5	63.6	N/A	64.4	N/A	62.7
Total Departmental Spending	477.8	525.6	N/A	574.2	N/A	620.3
Full Time Equivalent	5,648	5,436	N/A	5,504	N/A	5,737

Table 8: Resources by Program Activity

(\$ millions)	2005-2006								Total
	Budgetary							Plus: Non- Budgetary	
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments and Advances	
Program Activity									
Economic Statistics									
Main Estimates	208.6	0	0	0	208.6	31.1	177.5	0	177.5
Planned Spending	208.8	0	0	0	208.8	31.1	177.7	0	177.7
Total Authorities	221.8	0	0	0	221.8	31.1	190.7	0	190.7
Actual Spending	218.6	0	0	0	218.6	27.9	190.7	0	190.7
Social Statistics									
Main Estimates	236.2	0	0	0	236.2	92.0	144.2	0	144.2
Planned Spending	236.0	0	0	0	236.0	92.0	144.0	0	144.0
Total Authorities	248.5	0	0	0.6	249.1	92.0	157.1	0	157.1
Actual Spending	198.5	0	0	0.6	199.1	43.1	156.1	0	156.1
Census Statistics									
Main Estimates	195.9	0	0	0	195.9	6.9	189.0	0	189.0
Planned Spending	195.8	0	0	0	195.8	6.9	188.9	0	188.9
Total Authorities	218.5	0	0	0	218.5	6.9	211.6	0	211.6
Actual Spending	222.1	0	0	0	222.1	10.5	211.6	0	211.6

Table 9: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2005-2006 (\$ millions)			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
	Operating Expenditures	442.2	442.1	486.3	485.3
	Capital Expenditures				
	Grants and Contributions	-	-	0.6	0.6
(S)	Contributions to employee benefit plans	68.5	68.5	72.5	72.5
	Total	510.7	510.6	559.4	558.4

Table 10: Services Received Without Charge

(\$ millions)	2005-2006
Accommodation provided by Public Works and Government Services Canada	31.0
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS	31.7
Salary and associated expenditures of legal services provided by Justice Canada	0.0
Total 2005-2006 Services received without charge	62.7

Table 11: Sources of Respendable and Non-Respendable Revenue**Respendable Revenue**

(\$ millions)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Economic Statistics						
Special statistical services	21.8	20.3	31.1	31.1	31.1	27.9
Social Statistics						
Special statistical services	65.3	44.8	92.0	92.0	92.0	43.1
Census Statistics						
Special statistical services	16.5	18.6	6.9	6.9	6.9	10.5
Total Respendable Revenue	103.7	83.6	130.0	130.0	130.0	81.5

Non-Respendable Revenue

(\$ millions)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Economic Statistics						
Special statistical services	0.2	0.2	N/A	0.2	N/A	0.3
Social Statistics						
Special statistical services	0.5	0.4	N/A	0.6	N/A	0.4
Census Statistics						
Special statistical services	0.1	0.2	N/A	0.0	N/A	0.1
Total Non-Respendable Revenue	0.8	0.8	N/A	0.8	N/A	0.8

Table 12: User Fees Act

User Fee	Fee Type	Fee Setting Authority	Date Last Modified	2005-2006					Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Statistics Canada Publications	Other Goods and Service - Fee for Post-Manuscript Product	Ministerial Authority to enter into contract	April 1996	\$1,255.0	\$1,061.6	\$1,061.6	Timely regular delivery of individual issues and/or subscriptions to clients at fixed prices.	Continue to meet client information needs through hard copy sales and increasingly in electronic format.	2006-07 2007-08 2008-09	\$630.0 \$600.0 \$540.0	\$630.0 \$600.0 \$540.0
On-Line Database ¹	Other Goods and Service - Fee for Access	Ministerial Authority to enter into contract	September 2001	N/A ¹	\$500.0	\$500.0	Timely Internet access to new and updated data at fixed prices.	Access continues to grow slightly every year and Internet sales register slow annual growth.	2006-07 2007-08 2008-09	\$510.0 \$485.0 \$460.0	\$510.0 \$485.0 \$460.0
Access to Information Act requests ²	Application Fee	Section 11 of the Access to Information Act	1992	N/A ²	\$0.2	\$96.1	Ensure requests are completed in accordance with the legislated requirements.	Continue to meet statutory requirements under ATI legislation.	2006-07 2007-08 2008-09	\$0.2 \$0.2 \$0.2	\$96.1 \$96.1 \$96.1
Total				\$1,255.0	\$1,561.8	\$1,657.7					

Please note that the categories normally presented in this table have been revised. The Special Statistical Services and CANSIM categories were removed from this table as the revenues derived from cost recovery activities provided under a formal contractual arrangement are not considered as user fees.

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, the Agency has developed standards of service which its employees observe in serving our clients. These standards, which are published on the web site and in paper form, make commitments in the following six categories: Quality; Accessibility; Promptness; Cost; Reliability and Redress Mechanism.

<http://www.statcan.ca/english/about/servic.htm>

1- Starting in Fiscal Year 2005-2006, On-Line Database requests are presented as a separate Fee Type.

2 - Starting in Fiscal Year 2005-2006, 'Access to Information Act' requests are presented as a separate Fee Type.

It is Statistics Canada's practice to waive fees where the total owing per request amounts to less than \$25.

Table 13: Policy on Service Standards for External Fees

External Fee	Service Standard	Performance Results	Stakeholder Consultation
Statistics Canada Publications	Timely regular delivery of individual issues and/or subscriptions to clients.	Continue to deliver print versions and load electronic versions in a timely manner. Inform subscribers to electronic versions of new issue availability on day of release.	Client Satisfaction Measurement survey conducted with a sample of clients in June 2006. Declared level of satisfaction with service was very high.
On-line Databases	Timely Internet access to new and updated data.	Continue to update databases on a daily basis and to inform clients of new data availability through daily announcements.	Usability and client satisfaction survey conducted with a sample of clients in early 2005. Declared level of satisfaction with service was very high.
'Access to Information Act' requests	Ensure requests are completed in accordance with the legislated requirements.	Continue to meet statutory requirements under ATI legislation.	N/A
<p>Other Information Standards of service to the public for all Statistics Canada services were reviewed in late 2005/early 2006. Consultations on satisfaction with all major central services were conducted in June 2006. Declared levels of satisfaction with all services were very high.</p>			

Section IV: Other Items of Interest

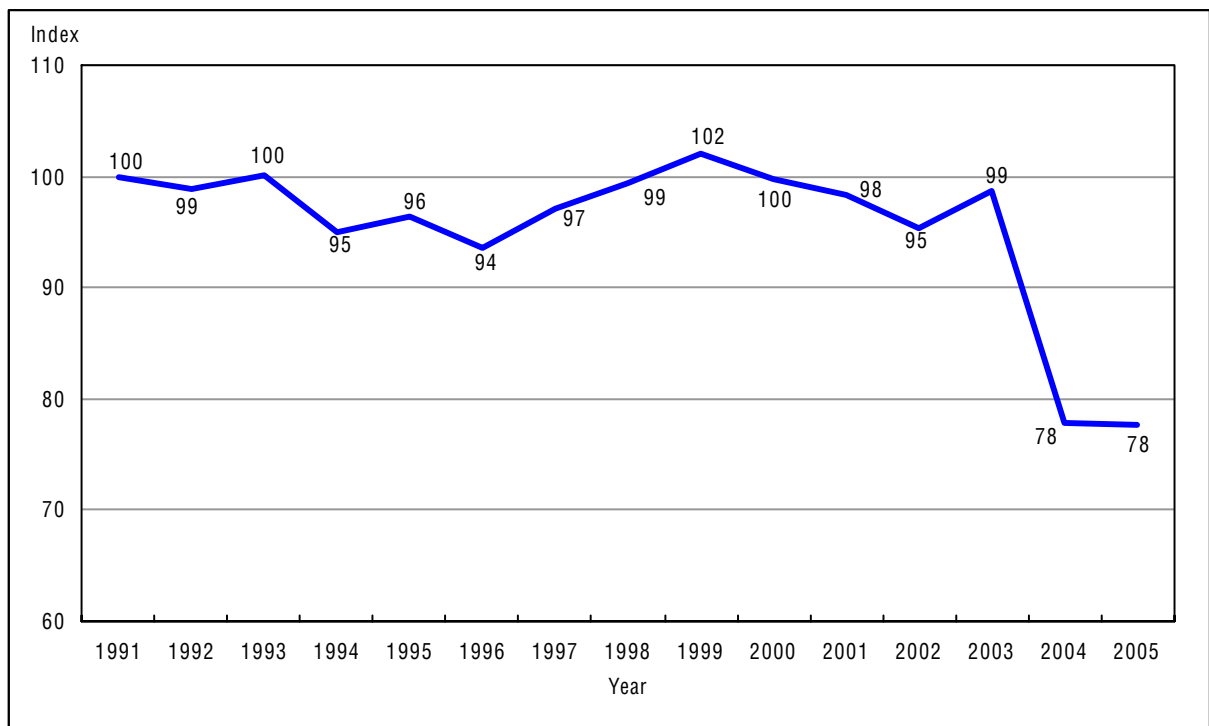
Managing Response Burden

Use of Administrative Data

Reducing and controlling response burden is a high priority for the Department. The increased use of administrative data in lieu of direct surveys of respondents has resulted in a very substantial reduction in response burden, especially for small businesses. The major elements of this tax replacement initiative came to fruition in calendar year 2004 and signs that the Department was pretty close to the end of a long series of response burden reductions materialized in 2005 as illustrated below. The Department continues research into methodologies that would permit it to extend the use of administrative data for more complex businesses.

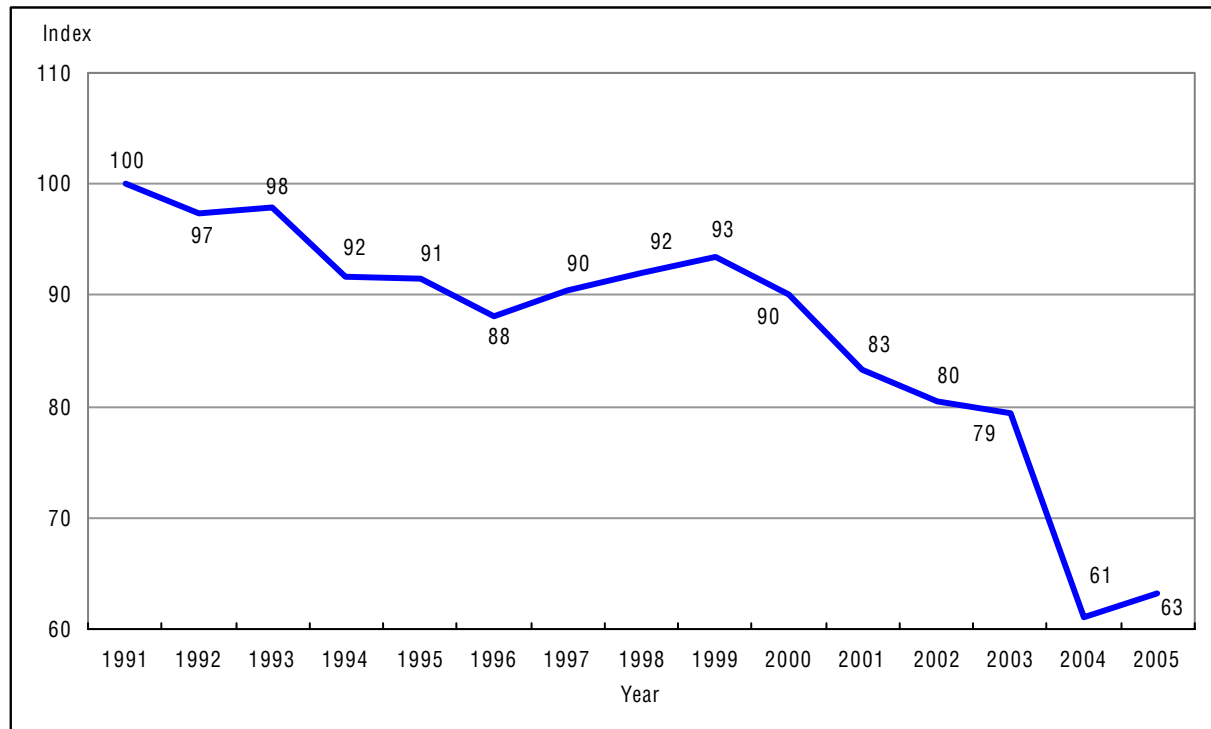
The estimate of response burden hours is calculated annually using the frequency of each survey, the average time to complete the questionnaires, and the number of surveyed respondents. In 2005, total response burden hours remained unchanged from 2004. Note that the quinquennial Census of Agriculture is excluded from the calculations.

Figure 3: Index of Response Burden Hours (1991 = 100)



While absolute response burden hours have declined by 22% since 1991, over the same period the average burden placed on each Canadian business has declined 37%. The graph below displays the indexed hours of total response burden divided by the estimated total number of Canadian businesses.

Figure 4: Index of Average Response Burden Hours per Canadian Business (1991 = 100)



Note: The number of businesses used to calculate the response burden estimate is not directly comparable between 2004 and 2005 due to revised procedures used to update Statistics Canada's Business Register.

Holistic strategy for managing business survey response

The Holistic Response Management Strategy that was devised last year is now well on its way to being fully implemented. Essentially it acknowledges the need for different response management strategies for different types of respondents. The strategy therefore divides business respondents into four tiers.

- Tier 1 includes the largest, most important businesses in Canada. Through the Enterprise Portfolio Manager (EPM) program, established in 2005/06 by merging the former Key Provider Manager program with the Large Business Profiler program, the goal is to form long-term relationships with these respondents in order to manage response burden and to maintain an accurate profile of their business operations. Statistics Canada is making good progress on this front. The approach is meeting with great success both in improving response rates as well as providing insightful information on the structure of Canadian business.
- Tier 2 represents businesses that are smaller than Tier 1 but still important in developing accurate measures of the activities of individual industries. A Strategic

Response program was initiated in 2005/06 to proactively manage response burden with businesses within this tier. The unit met with great success during its “proof-of-concept” phase and will now start the move towards full production.

- Tier 3 includes medium-sized businesses, which form the bulk of our sample. Here the Department will continue to concentrate on reducing reporting burden by reducing sample sizes through the use of annual tax data and sub-annual GST data.
- Tier 4 represents the smallest businesses which are excluded from collection: for these Statistics Canada relies entirely on tax information.

The Electronic Data Reporting (EDR) Initiative

Statistics Canada developed a mechanism allowing Canadians to respond on-line to a selected number of its surveys. This Government Online initiative project was completed with 51 business and agriculture surveys offering in 2005-2006 an EDR option through a sophisticated infrastructure, built in house. The objectives originally established for this project were met.

Even though the original project is complete, Statistics Canada remains committed to continuing to offer an EDR option to those surveys that lend themselves to this mode of collection. Over the next 12 months, the Department will be re-evaluating and re-engineering its approach with the objective of providing a more streamlined, less complex infrastructure to improve the technical stability, cost effectiveness and user friendliness of its EDR collection process.

Operational analysis to guide and improve collection

Significant progress has been made to streamline the Department’s collection operation by exploiting operational data accumulated as a by-product of our collection activities. Analysis of these data, carried out while selected surveys were still being collected, enabled the Department to identify interviewer performance difficulties early enough for ‘real-time’ correction. Also post-collection analysis of these data has enabled the Department to establish a ceiling on the number of calls that are worth making in attempting to convert refusals; and to identify the best times to call different types of respondents.

Consequently, operational analysis has improved the Department’s data collection operations. Tools are currently being developed that will permit fuller exploitation of these opportunities systematically, for the benefit of all surveys.

Other Initiatives

Education Outreach

During 2005-2006, the Census at School international project was broadly promoted to Canadian educators at conferences and through electronic newsletters, e-mail and articles in local media.

More than 500 schools across Canada received in-class workshops on the importance of the upcoming census and on how to analyze class results of the online Census at School survey. A total of 32,000 Canadian students participated, gaining understanding of census-taking, online reporting and using survey results for decision making.

Several provinces have integrated Census at School into their math curricula, particularly for grades 6 to 8, due to its cross-curricular, "learning by doing" approach and development of critical thinking skills. New math textbooks in Quebec, Ontario and Nova Scotia include references to Census at School.

Findings of the Auditor General on the Quality and Reporting of Surveys

In November 2005 the Office of the Auditor General of Canada published a report on the quality and reporting of federal government surveys in departmental performance reports. The report focused on public opinion surveys commissioned by federal departments and agencies to obtain a reading of how Canadians understand or respond to particular initiatives or issues. Statistics Canada surveys that are conducted as part of its mandate were out of scope, however, the audit found Statistics Canada's implementation of the Quality Assurance Framework in its day-to-day survey work to be an exemplary practice. In response to one of the recommendations, a technical advisory panel was struck with the mandate of reviewing and adapting standards that the Public Opinion Research Directorate of Public Works and Government Services Canada would apply to future federal surveys of this nature. Statistics Canada is represented on this panel.

Status Report on the Service Improvement Initiative (SII)

Ongoing Monitoring and Reporting of Client Satisfaction

Statistics Canada remains a strong supporter of the SII. Client service standards and research have long been reflected in Statistics Canada's management philosophy and operational practices. The Department contributed its expertise to the research and development of SII Common Measurements Tool (CMT). All divisions in the Department are required to conduct client-satisfaction research in their regular program reviews. Statistics Canada's web-related client-research activities are reported in the Government On Line Corporate Plan. Client-feedback research is a key element of survey-collection activities, since relations with survey respondents are a key determinant of data quality. As increasing numbers of Statistics Canada surveys offer an electronic reporting option, feedback-research activities have also increased. Past research includes research addressing respondent expectations and potential concerns, pre-testing of survey prototypes, feedback collected by client-support services, as well as satisfaction research conducted following deployment of a survey.

The Internet has emerged as the primary distribution channel for the Department's data and information. Data quality standards are applied to all information published electronically. Service standards are posted publicly and are closely monitored by the Department, including the measurement of response burden for survey collection. In 2005-2006 the Department conducted an extensive review of its standards of service to the public, which were first published in 1992 (see also Table 13). This evaluation indicated that the existing standards are largely comprehensive and valid however, the client consultations identified a number of best practices that will be shared among program areas to improve client service.

Each year, the Department conducts an extensive client-service survey among all internet users and clients, in which interests, expectations and satisfaction levels are measured according to principles reflected in the CMT. Statistics Canada has increased usability testing for products and services. Recently, web research led to a major re-design of the Statistics Canada Internet site. Canadians requiring Statistics Canada information are served through many program areas and centralized service groups. Due to the number and diversity of products, services, and service channels utilized by Statistics Canada, methodologies used to determine client satisfaction are quite diverse. While this diversity precludes aggregate-level satisfaction measurements, the various research activities all share common research dimensions, addressing perceptions of data quality, timeliness, ease-of-access, general satisfaction, and recommendations. Given the length of time that Statistics Canada has been conducting client satisfaction surveys, program areas can now analyse their progress longitudinally.

Stakeholder relations involve ongoing consultations with a wide variety of groups and organizations for which Statistics Canada's survey-taking operations and data-publishing activities have particular interest or impact. These consultations include the Policy Research Initiative, the National Statistics Council, 13 ongoing Advisory and six subject-matter committees, a Federal-Provincial Consultative Council on Statistical Policy, and extensive

consultation programs with a wide range of communities to plan Census content and outputs. The 2006 Census content consultation process involved high levels of participation of key stakeholders and data users. Continuous client-feedback mechanisms focus on the scope, value and relevance of Statistics Canada data, and the manner in which those data are collected and made available to the public.

As more and more Canadians utilize the Internet for accessing government services as well as participating in consultations with federal departments, Statistics Canada expects consultations with its stakeholders will increasingly be conducted on line, provided that consultations conducted electronically can be broadly accessed and are representative of communities of interest.

New Products and Services on the Website

As Statistics Canada's principal channel for serving information users, the website www.statcan.ca enables the Department to serve more Canadians than ever before. The average number of daily visits to the website was more than 55,000 and over 16 million visited in 2005-2006. The site has been improved based on research on various user communities and their satisfaction with the site's content and functionality.

Here are the major improvements to our products and services over the past year:

A new publishing model for Statistics Canada

To remove existing price inconsistencies in our publication program Statistics Canada has adopted a new publishing model. The model provides the free dissemination of all electronic publications on our website. The adoption of the Free Electronic Publications Initiative supports the longstanding principles underlying the Department's dissemination program: to make information of broad public interest widely available to the Canadian public but to charge individual clients for special products and services where the benefits do not accrue to the public at large and where there are additional costs to the Department in providing them. Accordingly, the Department will continue to charge for print publications to recover the printing and distribution costs and for our specialized database services, such as the Canadian Socio-economic Information Management system (CANSIM), where significant costs must be recovered in maintaining the technical infrastructure and providing client support. The new publishing model was implemented on April 24, 2006.

Statistics Canada Website Improvement Project

Statistics Canada first established its presence on the Internet more than a decade ago. At that time, our challenge was to migrate statistical information from the traditional print medium to this new electronic environment and to promote our fledgling website as an alternative mode of access for our users. Today, as the virtual library for all information from and about Statistics Canada, our website has become the Department's principal dissemination and communication

channel and the challenge the Department now faces is to better organize and link this growing information store in a manner that facilitates user access to the information they seek.

The Website Improvement Project was initiated in April 2005. A comprehensive assessment of the existing market research had distilled the critical client needs to be:

- improved search functionality;
- a more informative homepage;
- consistency in design and functionality across modules;
- thematic access;
- geographic access and functionality; and,
- single client registration service.

Accordingly, the objective of the Project is to advance, in incremental and coordinated steps, the design, functionality and utility of the website. The target date for deployment of Phase I of the new www.statcan.ca planned for July 2006 includes a redesigned home page, the introduction of a new look and feel for website modules and improved search functions. Subsequent phases will be deployed as the remaining areas of the site are redeveloped. Just as the common driver behind each of these enhancements is user demand, to ensure that the client perspective remains a key determinant in the development of these initiatives, their utility and functionality is subject to rigorous usability testing.

Management Initiatives

Results of the 2005 Employee Opinion Survey

Nearly 4,400 Statistics Canada employees responded to the 2005 Public Service Employee Survey, representing a response rate of 80.2%, an increase of 6.1% from the 2002 survey and one of the top 10 departments in terms of response rates. For the third consecutive time, the Department's response rate remained well above the Public Service rate, which was 58.9% in 2005.

A majority of Statistics Canada employees reported being very satisfied with their workplace. In most areas, our employees indicate the highest levels of satisfaction within the public service among the large departments.

- Similar to the previous two surveys, Statistics Canada results in 2005 compared very well with the public service. Statistics Canada employees responded positively on most of the questions in all four themes of the questionnaire: sharing information and goals, equitable work environment, work and workload, and training and career development raised in this survey.
- In a few cases, Statistics Canada employees responded more negatively than the public service-wide averages. Two-thirds of employees (3% lower than the total public service) feel they could claim overtime compensation in money or leave, and just over

half (54%, compared to 63% for the overall public service) indicated they had been compensated for overtime worked in the past year.

Some notable improvements over the 2002 results include the following:

- Fewer Statistics Canada employees indicated that staff turnover had been a significant problem over the previous three years;
- More employees agreed that they could complete their assigned workload during regular working hours;
- More employees indicated that when faced with a health and safety issue in the workplace, they knew where to go for help in resolving the situation.

Responses to questions about perceived harassment, physical violence and discrimination hardly changed from 2002 to 2005. While these are considerably below the corresponding percentages reported elsewhere in the public service, Statistics Canada is of the opinion that even a single incident is one too many. There was still a strong agreement (92%) in 2005 that everyone, regardless of race, colour, gender or disability was accepted as an equal member of the work unit, and 90% felt that their organization, overall, treated them with respect.

Finally, a majority of employees at Statistics Canada felt they could balance their personal, family and work needs. Similar to 2002, 92% were satisfied with their current work arrangement and 79% agreed that senior management actively supported flexible work arrangements.

As with the previous Employee Opinion Survey, program managers received detailed results for their division, and they will be responsible for follow-up and implementation of improvements and corrective measures, under the guidance of several management committees that focus on human resource issues from training to performance management.

Follow this link to see the comprehensive results of the 2005 Employee Opinion Survey:
<http://www.hrma-agrh.gc.ca/survey-sondage/2005/results-resultats/08/index-e.htm>.

Exemplary Rating on Official Languages Score Card

Following a formal evaluation of the Department by the Office of the Commissioner of Official Languages, Statistics Canada became the first federal department ever to achieve an 'exemplary' rating from the Commissioner of Official Languages. In advising the Department of this 'exemplary rating', the Commissioner cited the progress Statistics Canada has achieved in creating a workplace that is conducive to using both official languages. This past year, the Department was also instrumental in encouraging closer collaboration amongst the Official Language (OL) Champions of federal institutions and OL managers, and *Official Languages Act* section 41 coordinators. Statistics Canada spearheaded efforts to share best practices and these efforts culminated in an *Official Languages Good Practices Forum*, held in November 2005 in association with the Council of the Network of Departmental Official Languages

Champions, the Public Service Human Resources Management Agency (PSHRMAC) and Heritage Canada.

Public Service Modernization Act

Statistics Canada has focused on building a secure foundation for creating the changes that will come with the implementation of the *Public Service Modernization Act* (PSMA). The Department established a Management Advisory Committee, engaged the unions and worked in partnership with them. It held focus groups with employees and managers. Then, using the infrastructure of the Department's existing HR committees, it began the process of change, which included:

- **Staffing**

The initial priority was to ensure that the requirements of delegation were met. HR Specialists were re-certified and sub-delegated managers trained. The infrastructure for policy development was created, a staffing model was developed and new staffing policies were articulated. A Strategic Plan incorporating employment equity aims and demographic data set out recruitment and staffing targets for the upcoming period.

- **Informal Conflict Resolution**

The Department's new Informal Conflict Management System was co-developed with the unions and launched in 2005-2006. Significant success has been achieved in resolving conflicts in the workplace. A direct benefit of such an early intervention process is that it provides a fundamental support for managers and employees in addressing performance management issues.

- **Performance Management**

HR Modernization provided an opportunity for the Department to highlight the importance of performance management issues. The Department created a centre of expertise and developed a policy framework that sets out a clearly defined process for dealing with performance issues. Innovative web-based guidelines were developed to illustrate the performance management process and provide very clear procedures for dealing with a variety of performance problems. Training was provided for managers on how to deal with employee performance, give feedback, and take action. Prior to the annual Employee Review Process, information sessions were conducted on how to set out and assess expectations.

Table 14: Legislated Requirements for Statistics Canada

In addition to the *Statistics Act*, the following federal acts give the Chief Statistician or Statistics Canada responsibility for the collection or provision of specific information:

<i>Alberta Natural Resources Act</i>	1930, c.3, as amended
<i>Bank Act</i>	R.S.C., 1991, c. B-1
<i>Canada Council for the Arts Act</i>	R.S.C., 1985, c. C-2
<i>Canada Elections Act</i>	S.C., 2000, c. 9
<i>Canada Pension Plan Act</i>	R.S.C., 1985, c. C-8
<i>Canada Pension Plan Investment Board Act</i>	1997, c. 40
<i>Canada Student Financial Assistance Act</i>	1994, c. 28
<i>Canada Student Loans Act</i>	R.S.C., 1985, c. S-23
<i>Canada Transportation Act</i>	1996, c. 10, as amended
<i>Children of Deceased Veterans Education Assistance Act</i>	R.S.C., 1985, c. C-28
<i>Competition Act</i>	R.S.C., 1985, c. C-34
<i>Constitution Act</i>	1867
<i>Constitutional Amendments</i>	1996, c. 1, as amended
<i>Corporations Returns Act</i>	R.S.C., 1985, c. C-43, as amended
<i>Customs Act</i>	R.S.C., 1985, c. 1
<i>Department of Health Act</i>	1996, c. 8
<i>Electoral Boundaries Readjustment Act</i>	R.S.C., 1985, c. E-3, as amended
<i>Electoral Boundaries Readjustment Suspension Act</i>	1994, c. 19
<i>Employment Insurance Act</i>	1996, c. 23, as amended
<i>Energy Efficiency Act</i>	1992, c. 36, as amended
<i>Energy Monitoring Act</i>	R.S.C., 1985, c. E-8, as amended
<i>Excise Tax Act</i>	R.S.C., 1985, c. E-15, as amended
<i>Federal-Provincial Fiscal Arrangements and Federal Act</i>	R.S.C., 1985, c. F-8, as amended
<i>Governor General's Act</i>	R.S.C., 1985, c. G-9, as amended
<i>Income Tax Act</i>	R.S.C., 1985, c. 1, as amended
<i>Industrial and Regional Development Act</i>	R.S.C., 1985, c. I-8, as amended
<i>Judges Act</i>	R.S.C., 1985, c. J-1, as amended
<i>Marine Liability Act</i>	2001, c. 6, as amended
<i>Northern Pipeline Act</i>	R.S.C., 1985, c. N-26, as amended
<i>Old Age Security Act</i>	R.S.C., 1985, c. O-9, as amended
<i>Patent Act</i>	R.S.C., 1985, c. P-4, as amended
<i>Payments in Lieu of Taxes Act</i>	R.S.C., 1985, c. M-13, as amended
<i>Pension Act</i>	R.S.C., 1985, c. P-6, as amended
<i>Pension Benefits Standards Act</i>	R.S.C., 1985, c. P-7, as amended
<i>Provincial Subsidies Act</i>	R.S.C., 1985, c. P-26, as amended
<i>Railway Relocation and Crossing Act</i>	R.S.C., 1985, c. R-4, as amended
<i>Representation Act</i>	R.S.C., 1986, c. 8
<i>Salaries Act</i>	R.S.C., 1985, c. S-3, as amended
<i>Supplementary Retirement Benefits Act</i>	R.S.C., 1985, c. S-24, as amended
<i>Telecommunications Act</i>	1993, c. 38, as amended
<i>War Veterans Allowance Act</i>	R.S.C., 1985, c. W-3, as amended

STATISTICS CANADA

FINANCIAL STATEMENTS
March 31, 2006

STATISTICS CANADA

Management Responsibility for Financial Statements


March 31, 2006

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2006 and all information contained in these statements rests with Statistics Canada's (STC) management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

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

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

The financial statements of Statistics Canada have not been audited.



Ivan P. Fellegi, Chief Statistician
Ottawa, Canada
Date:



Colleen Falconer, Senior Financial Officer
Ottawa, Canada
Date:

STATISTICS CANADA
Statement of Operations (Unaudited)
For the Year Ended March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Expenses (Note 4)		
Economic Statistics	242,123	264,895
Social Statistics	218,100	219,221
Census Statistics	240,344	125,961
Total expenses	<u>700,567</u>	<u>610,077</u>
Revenues (Note 5)		
Economic Statistics	28,855	20,525
Social Statistics	44,424	45,255
Census Statistics	10,888	18,752
Total revenues	<u>84,167</u>	<u>84,532</u>
Net Cost of Operations	<u>616,400</u>	<u>525,545</u>

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

STATISTICS CANADA
Statement of Financial Position (Unaudited)
At March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
ASSETS		
Financial assets		
Cash	235	3
Accounts receivable and advances (Note 6)	4,692	4,014
Total financial assets	<u>4,927</u>	<u>4,017</u>
Non-financial assets		
Prepaid expenses	520	0
Inventory	3,774	3,681
Tangible capital assets (Note 7)	76,851	72,584
Total non-financial assets	<u>81,145</u>	<u>76,265</u>
TOTAL	<u><u>86,072</u></u>	<u><u>80,282</u></u>
Liabilities		
Accounts payable and accrued liabilities (Note 8)	74,345	54,710
Vacation pay and compensatory leave	21,712	20,135
Deferred revenue (Note 9)	15,472	8,633
Lease obligation for tangible capital asset (Note 10)	1,065	594
Employee severance benefits (Note 11)	72,582	67,288
	<u>185,176</u>	<u>151,360</u>
Equity of Canada	<u>(99,104)</u>	<u>(71,078)</u>
TOTAL	<u><u>86,072</u></u>	<u><u>80,282</u></u>

Contingent liabilities (Note 12)

Contractual obligations (Note 13)

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

STATISTICS CANADA
Statement of Equity of Canada (Unaudited)
For the Year Ended March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Equity of Canada, beginning of year	(71,078)	(57,850)
Net cost of operations	(616,400)	(525,545)
Current year appropriations used (Note 3)	558,427	462,753
Revenue not available for spending	(2,671)	(906)
Change in net position in the Consolidated Revenue Fund (Note 3c)	(30,278)	(13,133)
Services received without charge from other government departments (Note 14)	62,896	63,603
Equity of Canada, end of year	<u>(99,104)</u>	<u>(71,078)</u>

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

STATISTICS CANADA
Statement of Cash Flow (Unaudited)
For the Year Ended March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Operating Activities		
Net cost of operations	616,400	525,545
Non-cash items:		
Amortization of tangible capital assets	(22,052)	(16,830)
(Loss) Gain on disposal of tangible capital assets	(65)	(139)
Services provided without charge	(62,896)	(63,603)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	678	797
Increase (decrease) in prepaid expenses	520	0
Increase (decrease) in inventory	93	788
Increase (decrease) in liabilities	(33,816)	(13,664)
Cash used by operating activities	<u>498,862</u>	<u>432,894</u>
Capital investment activities		
Acquisitions of tangible capital assets	26,384	15,817
Cash used by capital investment activities	<u>26,384</u>	<u>15,817</u>
Financing activities		
Net cash provided by Government of Canada	<u>(525,478)</u>	<u>(448,714)</u>
Net Cash Used	(232)	(3)
Cash, beginning of year	<u>3</u>	<u>0</u>
Cash, end of year	<u><u>235</u></u>	<u><u>3</u></u>

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

STATISTICS CANADA

Notes to the Financial Statements (*Unaudited*)

1. Authority and Objectives

Statistics Canada was established in 1918 pursuant to the *Statistics Act*. STC received full departmental status by Order in Council in 1965.

Statistics Canada is a division of the public service named in schedule I.1 of the *Financial Administration Act*. The Minister currently responsible for Statistics Canada is the Minister of Industry, who represents STC in Parliament and Cabinet.

Statistics Canada's mandate derives primarily from the *Statistics Act*. The Act requires STC, under the direction of the Minister, to collect, compile, analyze and publish statistical information on the economic, social and general conditions of the country and its citizens. Statistics Canada's mandate also provides for coordination and leadership of the country's statistical system.

From STC's mandate are derived two primary objectives:

- To provide statistical information and analysis of the economic and social structure and functioning of Canadian society as a basis for the development, operation and evaluation of public policies and programs, for public and private decision-making and for the general benefit of all Canadians; and
- To promote the quality, coherence and international comparability of Canada's statistics through collaboration with other federal departments and agencies, with the provinces and territories and in accordance with sound scientific standards and practices.

To facilitate the understanding of Statistics Canada's program activity architecture (PAA), its activities have been grouped into three program activities: Economic Statistics, Social Statistics and Census Statistics. The Economic Statistics provides information and analysis on the entire spectrum of Canadian economic activity, both domestic and international, through a set of macro-economic statistics and focuses on the business and trade sectors of the Canadian economy. The Social Statistics provides information on the economic and social characteristics of individuals, families and households in Canada, and on the major factors which can contribute to their well being. The Census Statistics provides benchmark information on the structure of the Canadian population and its demographic, social and economic conditions.

2. Summary of Significant Accounting Policies

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

Significant accounting policies are as follows:

- (a) Parliamentary appropriations – Statistics Canada is financed by the Government of Canada through Parliamentary appropriations. In addition to its yearly parliamentary appropriations, Statistics Canada has the authority to expend revenue received during the fiscal year. Appropriations provided to STC do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those

provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net Cash Provided by Government – Statistics Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by STC is deposited to the CRF and all cash disbursements made by STC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) The change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non spendable revenue recorded by STC. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

- Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.
- Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
- Revenues that have been received but not yet earned are recorded as deferred revenues.

(e) Expenses – Expenses are recorded on the accrual basis:

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. Statistics Canada's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation to the Plan. Current legislation does not require STC to make contributions for any actuarial deficiencies of the Plan.

-
- ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.
- (g) Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.
- (h) Contingent liabilities – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.
- (i) Inventories – Inventories are recorded as an asset until issued for consumption or sale, at which time they are expensed. Statistics Canada records two types of inventories:
- Inventories held for re-sale – These are physical items, such as publications and special statistical services, which will be sold in the future in the ordinary course of business to parties outside of the government reporting entity. They are valued at the average production cost.
 - Consumable inventories – These are inventories held for future program delivery and not intended for re-sale. They are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value.
- (j) Foreign currency transactions – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect on March 31, 2006.

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- (k) Tangible Capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Statistics Canada does not capitalize intangibles, works of art and historical treasures that have a cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

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

<u>Asset Class</u>	<u>Amortization period</u>
Informatics hardware	5 years
Informatics software	5 years
Other equipment	5 years
Motor vehicles	7 years
Leasehold improvements	25 years
Software under development	Once in service, 5 years
<u>Leased tangible capital assets</u>	<u>Term of lease</u>

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

3. Parliamentary Appropriations

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

3. (a) Reconciliation of net cost of operations to current year appropriations used:

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Net cost of operations	616,400	525,545
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Amortization of tangible capital assets	(22,052)	(16,830)
Services provided without charge	(62,896)	(63,603)
Employee Severance Benefits	(5,294)	899
Vacation pay and compensatory leave	(1,577)	(467)
Revenues not available for spending	2,671	906
(Loss) gain on disposal of tangible capital assets and write-down of inventory	(119)	(197)
Inventory usage	147	846
Refunds of previous years expenditures	4,869	12
Adjustment for Justice Canada	(146)	(50)
Leasehold improvements	3,853	209
Leased tangible capital assets (payment less interest)	394	296
Pooled asset acquisitions	5,647	2,259
Software under development	7,205	9,618
Provision for bad debt	(9)	(1)
	<u>549,093</u>	<u>459,442</u>
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less):		
Acquisitions of tangible capital assets	8,814	3,311
Prepaid expenses	520	0
Current year appropriations used	<u><u>558,427</u></u>	<u><u>462,753</u></u>

3. (b) Appropriations provided and used

	Appropriations Provided	
	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Vote 95 - Operating expenditures	486,904	406,105
Statutory amounts	72,546	69,070
Less:		
Lapsed appropriations: Operating	<u>(1,023)</u>	<u>(12,422)</u>
Current year appropriations used	<u>558,427</u>	<u>462,753</u>

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

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Net cash provided by Government	525,478	448,714
Revenue not available for spending	2,671	906
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	(678)	(797)
Variation in accounts payable and accrued liabilities	19,635	12,367
Variation in deferred revenue	6,839	1,604
Refunds of previous years expenses	4,869	12
Other adjustments	<u>(387)</u>	<u>(53)</u>
	<u>30,278</u>	<u>13,133</u>
Current year appropriations used	<u>558,427</u>	<u>462,753</u>

4. Expenses

The following table presents details of expenses by category:

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Transfer payment - Canadian Institute of Health Information (CIHI)	561	561
Total transfer payment	<u>561</u>	<u>561</u>
Salaries and employee benefits	464,886	444,183
Services provided without charge	62,896	63,603
Professional and special services	63,113	31,812
Transportation and telecommunication	41,092	18,439
Repairs and maintenance	21,545	12,153
Amortization	22,052	16,830
Utilities, materials and supplies	16,105	17,871
Communication and printing	5,508	1,626
Rentals	2,633	2,597
Loss on disposals of tangible capital assets	65	139
Loss on write-down of inventory	54	58
Interest component on leased tangible capital assets	32	23
Provision for bad debt	9	1
Other	16	181
Total operating expenses	<u>700,006</u>	<u>609,516</u>
Total Expenses	<u><u>700,567</u></u>	<u><u>610,077</u></u>

5. Revenues

The following table presents details of revenues by category:

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Special statistical services	81,733	81,944
Publications	2,422	2,585
Interest on overdue accounts	12	3
Total Revenues	<u>84,167</u>	<u>84,532</u>

6. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Receivables from other Federal Government departments and agencies	2,796	3,081
Receivables external parties	1,830	919
Employees advances	75	14
	<u>4,701</u>	<u>4,014</u>
Less: allowance for doubtful accounts on external receivables	(9)	0
Total	<u>4,692</u>	<u>4,014</u>

7. Tangible Capital Assets

(in thousands of dollars)

Cost						
	Opening Balance	Acquisitions	Work in progress transfers	Adjustments	Disposals	Closing Balance
Informatics hardware	65,709	12,242		1,151	7,956	71,146
Informatics software	28,833	6,477	13,278	280		48,868
Other equipment	3,597	1,215		487	10	5,289
Motor vehicles	192	55			42	205
Leasehold improvements	3,169	3,853				7,022
Software under development	30,100	4,273	(13,278)	(4,513)		16,582
Leased tangible capital assets	1,230	864			412	1,682
Total	132,830	28,979	0	(2,595)	8,420	150,794

Accumulated Amortization					
	Opening Balance	Amortization Expensed	Adjustments	Disposals	Closing Balance
Informatics hardware	44,564	9,531	167	7,895	46,367
Informatics software	11,605	9,324	1,878		22,807
Other equipment	3,086	393	153	10	3,622
Motor vehicles	112	23		37	98
Leasehold improvements	227	186			413
Software under development					0
Leased tangible capital assets	651	397		412	636
Total	60,245	19,854	2,198	8,354	73,943

Net Value		
	2006	2005
Informatics hardware	24,779	21,144
Informatics software	26,061	17,228
Other equipment	1,667	511
Motor vehicles	107	80
Leasehold improvements	6,609	2,942
Software under development	16,582	30,100
Leased tangible capital assets	1,046	579
Total	76,851	72,584

Amortization expense for the year ended March 31, 2006 is \$19,854,000 (2005 - \$16,942,000).

8. Accounts Payable and Accrued Liabilities

The following table presents details of payables and accrued liabilities:

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Regular accounts payable	45,446	26,570
Accrued Salaries and Wages	12,077	9,733
Accounts payable external parties	8,741	15,684
Accounts payable other government departments	8,038	2,722
Goods and services tax payable to Canada Revenue Agency	43	1
Total Payables and accrued liabilities	<u>74,345</u>	<u>54,710</u>

9. Deferred Revenue

Statistics Canada has the authority to expend revenue received during the fiscal year. Deferred revenue represents the balance of unearned revenue stemming from contracts in place for the provision of statistical information. Once the services are delivered, the amount will be transferred to revenue in order to offset related expenditures. Details of the transactions related to this account are as follows:

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Opening balance	8,633	7,029
Revenue recognized	<u>6,839</u>	<u>1,604</u>
Closing balance	<u>15,472</u>	<u>8,633</u>

10. Lease Obligation for Tangible Capital Assets

Statistics Canada has entered into agreements to rent all photocopiers under capital lease with a cost of \$1,682,000 and accumulated amortization of \$636,000 as at March 31, 2006 (\$1,230,000 and \$651,000 respectively as at March 31, 2005). The obligations for the upcoming years include the following:

Maturing year	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
2006	0	296
2007	399	161
2008	318	102
2009	230	56
2010	133	12
2011 and thereafter	58	0
Total future minimum lease payments	<u>1,138</u>	<u>627</u>
Less : imputed interest (3.19% to 4.12%)	<u>73</u>	<u>33</u>
Balance of obligations under leased tangible capital assets	<u><u>1,065</u></u>	<u><u>594</u></u>

11. Employee Benefits

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

Both the employees and STC contribute to the cost of the Plan. The 2005-06 expense amounts to \$50,695,000 (\$50,235,000 in 2004-05), which represents approximately 2.6 times the contributions by employees.

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

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

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	67,288	68,187
Expense for the year	11,202	4,833
Benefits paid during the year	<u>(5,908)</u>	<u>(5,732)</u>
Accrued benefit obligation, end of year	<u>72,582</u>	<u>67,288</u>

In order to measure the March 31, 2006 liability, Statistics Canada used the ratio, determined by Treasury Board, of 23.20% to STC's annual gross payroll at year-end subject to severance pay, which is the payroll related to indeterminate employees. The comparative ratios used to determine the March 31, 2005 and March 31, 2004 liabilities are 21.39% and 21.68% respectively.

12. Contingent Liabilities

Claims and litigation

Claims have been made against Statistics Canada in the normal course of operations. Legal proceedings for claims, which cannot be estimated (no estimation provided in 2005) were still pending at March 31, 2006. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

13. Contractual Obligations

The nature of Statistics Canada's activities can result in some large multi-year contracts and obligations whereby it will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2007	2008	2009	2010	2011 and thereafter	Total
Transfer payments	561	561	561	561	0	2,244
Operating leases	19,909	3,724	1,960	287	32	25,912
Total	20,470	4,285	2,521	848	32	28,156

14. Related Party Transactions

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

Services provided without charge:

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

	<u>2006</u>	<u>2005</u>
	(in thousands of dollars)	
Accommodation	31,022	32,657
Employer's contribution to the health and dental insurance plans	31,661	30,730
Worker's compensation	198	193
Legal services	15	23
Total	<u>62,896</u>	<u>63,603</u>

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in STC's Statement of Operations.