



Competition Bureau
Canada

Bureau de la concurrence
Canada




COMPETITION BUREAU

BUILDING A MORE COMPETITIVE AND INNOVATIVE CANADA

ANNUAL REPORT OF THE COMMISSIONER
OF COMPETITION FOR THE YEAR ENDING
MARCH 31, 2017

Canada 

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STRENGTHENING COMPETITION TO DRIVE INNOVATION

Competition drives innovation.

An open and welcoming marketplace that fosters the emergence of new companies and is unhampered by anti-competitive business practices is essential to a nationwide culture of innovation. Without competitive markets innovation cannot thrive.

The Bureau's role is to safeguard the market forces that enable innovators to compete on a level playing field.

Throughout 2016–2017, we supported innovation by continuing to promote the importance of competition, enforcing Canada's competition laws, and advocating for less restrictive regulations — strengthening the ability of Canadian businesses to innovate in a fast-changing global economy.

HIGHLIGHTS: 2016–2017

Standing up for truth in advertising

People are always happy to hear about a great deal that will save them money... as long as the claims are actually true.

It is not unusual for online retailers to compare their prices with those of the competition, showing how their products are less expensive than others. But sometimes the promised cost savings are not accurate — potentially causing consumers to choose one company over another based on false and misleading information.

When we found that Amazon.com.ca Inc (Amazon) relied on its suppliers for the regular prices — or “list prices” — shown on its website, without verifying that those prices were accurate, we reached an agreement with Amazon which saw it pay a \$1 million administrative monetary penalty. This sent a clear message to the marketplace that unsubstantiated savings claims will not be tolerated. As a result of this investigation, Amazon made changes to the way it advertises list prices on its Canadian website to accurately represent savings. The policies put in place by Amazon have had an effect beyond Amazon’s Canadian website, including on savings claims for products sold on www.amazon.com.

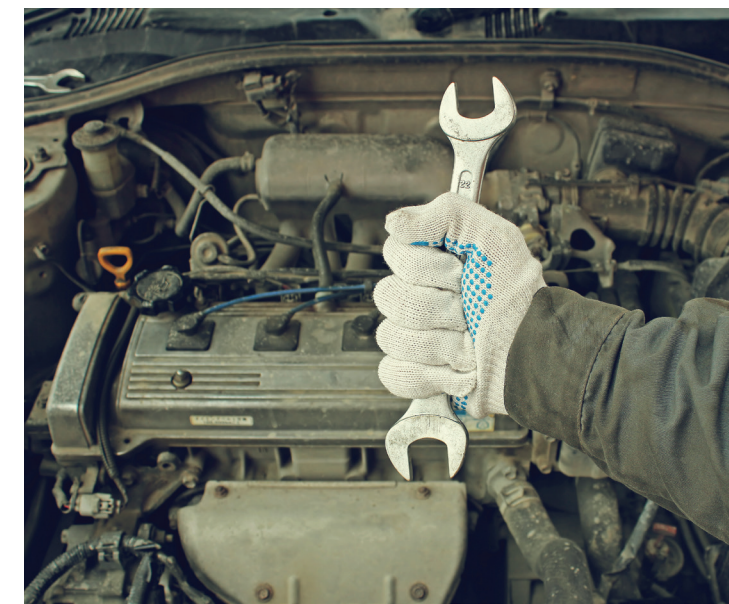


Protecting companies and consumers from getting stung by cartels

When companies collude to win contracts, consumers end up losing. Collusion deliberately drives up prices and deprives markets of competition and innovation.

Over the past few years, our investigations into collusion in the auto-parts sector have led to over \$70 million in penalties against numerous companies, including a \$13 million fine issued to Showa Corporation in 2016 — the second-largest bid-rigging fine ever ordered by a Canadian court.

When collusion crosses borders, cooperation is crucial to stopping it. In 2016–2017, we worked closely with the U.S. Department of Justice on a bid-rigging conspiracy which led to a USD\$130 million fine against Nishikawa Rubber for its role in an international bid-rigging conspiracy. It was a further example of our commitment to create an environment where every company has a fighting chance to win bids and bring its innovations to market.



Carmakers clean up their act over deceptive environmental claims

The Bureau helped get compensation for affected Canadians who bought vehicles marketed as having clean diesel 2.0L engines with reduced emissions.

Volkswagen and Audi made headlines in 2015 when software installed in some of their vehicles was found to alter the operation of the vehicle during testing which reduced emissions generating falsely positive emissions tests.

In 2016–2017, the Bureau reached an agreement with the two companies that saw them pay \$15 million in penalties for their deceptive marketing. We also took part in a class-action settlement between Volkswagen, Audi and consumers. In 2017, Volkswagen and Audi agreed to pay up to \$2.1 billion in payments to the more than 100,000 Canadians who had bought or leased the affected vehicles — one of the largest settlements ever in Canada. Strong actions like these are important to ensuring Canadians’ confidence when making major purchasing decisions.



A look to the future of financial services

Innovative, technology-led financial services have the potential to improve the way people manage their money. We want to make sure Canadians benefit in every way possible.

Digital tools can help increase Canadians’ access to financial services for everything from transferring funds and making payments, to investing and borrowing. In 2016–2017, we launched a comprehensive market study to deepen our understanding of the emerging financial technology (FinTech) marketplace — and advise policymakers on how to best to help innovative new players grow and succeed.

As part of the study, we also held a one-day FinTech workshop which brought together 133 entrepreneurs and representatives from the banking, regulatory, legal and academic communities to share their ideas and help shape the future of competition and innovation in Canada’s financial services industry.

Restoring retail price competition for ebooks in Canada

When an arrangement among competitors prevented businesses from competing on ebook prices, we took action to turn the page — to bring better value to Canadian readers.

In many competitive markets, businesses compete on prices to attract customers. But in Canada's ebook market, our investigation found that an arrangement among publishers has prevented Canadian retailers from offering discounts on ebooks — meaning Canadians saw virtually identical prices no matter where they shopped.

In 2016–2017, we signed agreements with publishers Hachette, Macmillan and Simon & Schuster, as well as Apple, in order to allow retailers to offer discounts and compete on the prices of ebooks from those publishers. These agreements are aimed at helping to ensure Canadians receive the full benefits that come with retail price competition — and demonstrated that the Bureau will not hesitate to take action on anti-competitive behaviour in the digital economy.

The agreements are currently on hold pending the outcome of a challenge brought by Kobo. Related proceedings against another publisher, HarperCollins, are ongoing.



A new prescription for drugstore competition

Mergers are generally seen as a way to increase competitiveness, allowing Canadians to benefit from lower prices, greater product choice and better quality services but sometimes they can have the opposite effect, especially in smaller communities.

When McKesson, Canada's largest wholesale supplier of prescription and over-the-counter drugs, wanted to purchase Rexall — one of the country's biggest pharmacy chains — and the ClaimSecure healthcare claims adjudication business, the Bureau took action to preserve competition at both the wholesale and retail levels.

Our review found that the proposed deal would likely have affected competition in many ways. For example, we found that McKesson would have had an incentive to give more favourable terms when supplying Rexall pharmacies, than when supplying competing chains. Before approving the acquisition, McKesson signed an agreement that required it to sell off Rexall pharmacies in 26 communities across Canada, and restricted its ability to share commercially sensitive information between its wholesale and healthcare claims adjudication retail businesses.

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MESSAGE FROM THE COMMISSIONER



Competitive markets drive businesses to innovate. Competition creates a strong incentive for companies to pursue more efficient production techniques and business models and develop better products and services for their customers. That kind of innovation is important to productivity, efficiency and inclusive growth across all sectors and in all regions of Canada — which is why the Government of Canada has made it a top priority.

Through the federal Innovation Agenda, the government aims to prepare Canadians for a rapidly changing digital economy, to take full advantage of emerging technologies that can elevate the competitiveness of new and established businesses, and to foster the next generation of global companies that will create more jobs and help grow the middle class.

The Competition Bureau plays an important role in achieving these objectives by supporting competition to help drive innovation in the marketplace. Through our enforcement, promotion and advocacy work, we ensure a level playing field for innovative companies to attract funding, commercialize their ideas and scale up to compete globally. By working to build a fairer and more open marketplace, we also help make Canada a destination of choice for international investment and growth.

We also conduct market studies in support of competition. With disruptive technologies and business models in the financial industry dramatically changing how Canadians access and use their money, in 2016–2017, we began studying the implications for consumers and businesses — and weighing the need for regulatory reform to promote greater competition in this area — while maintaining consumer confidence in the sector. Our final report on the topic will be published later in 2017.

We continued to fight bid-rigging, price-fixing, abuse of dominance, deceptive marketing practices and other

tactics that harm competition and consumer confidence and cost Canadian consumers and taxpayers. We secured record-setting fines and customer refunds through our investigations into the auto-parts and wireless telecommunications sectors.

Although a smaller competition agency than some of our international counterparts, we continue to punch above our weight. We received several honours for our enforcement and advocacy successes last year: we won the International Compliance and Ethics Award from the Society of Corporate Compliance and Ethics, our *Intellectual Property Enforcement Guidelines* were named the “most innovative soft law” at the 2017 Antitrust Writing Awards, and we were nominated for Agency of the Year in the Americas by the Global Competition Review.

I am proud of the excellent results that were achieved by our dedicated and professional employees for Canadian businesses and consumers in 2016–2017. As the global digital economy continues to evolve and new challenges arise, we will remain vigilant. All of us at the Bureau are committed to building on the successes of the past year to help make Canada a global centre of innovation excellence.

John Pecman
Commissioner of Competition

WE ARE CANADA'S COMPETITION BUREAU

The Competition Bureau (Bureau) has a legislated mandate to ensure that Canadian businesses and consumers prosper in a competitive and innovative marketplace. We are committed to doing so through all means available, from law **enforcement** to competition **promotion**.

OUR RESPONSIBILITIES

Headed by the Commissioner of Competition, the Bureau administers and enforces the *Competition Act*, the *Consumer Packaging and Labelling Act* (except enforcement as it relates to food), the *Textile Labelling Act* and the *Precious Metals Marking Act* (collectively referred to as the Acts).

OUR GUIDING PRINCIPLES

Vision

To be one of the leading competition agencies in the world; one that is open, transparent and collaborative, and that vigorously enforces and promotes competition to provide Canadians with the benefits of a competitive and innovative marketplace.

Mission

To promote and protect competition for the benefit of Canadians, the Bureau will administer and enforce the Acts with fairness and predictability, to:

- Prevent and deter anti-competitive behaviour and deceptive marketing practices
- Review mergers to ensure they do not harm competition
- Empower consumers and businesses

OUR CORE VALUES

Openness and transparency

We engage with our stakeholders through a wide range of new and existing means of communication to dialogue and share information, and to explain to Canadians and our partners the benefits of competition for consumers, businesses and the productivity of the Canadian economy.

Collaboration

We work with our partners to advance competition to ensure our marketplace is functioning efficiently.

Integrity and fairness

We act with integrity and fairness and in the public interest at all times. This requires a principle-based approach to enforcing and administering the Acts. Our decisions are based on facts, evidence and sound judgement. We are committed to protecting the confidentiality of sensitive information.

Respect

We interact honestly and respectfully with our colleagues, partners and all Canadians — recognizing their diversity and their individual contributions to healthy competition.

Leadership

We show leadership through our actions, strategic approach and commitment to continuous innovation.

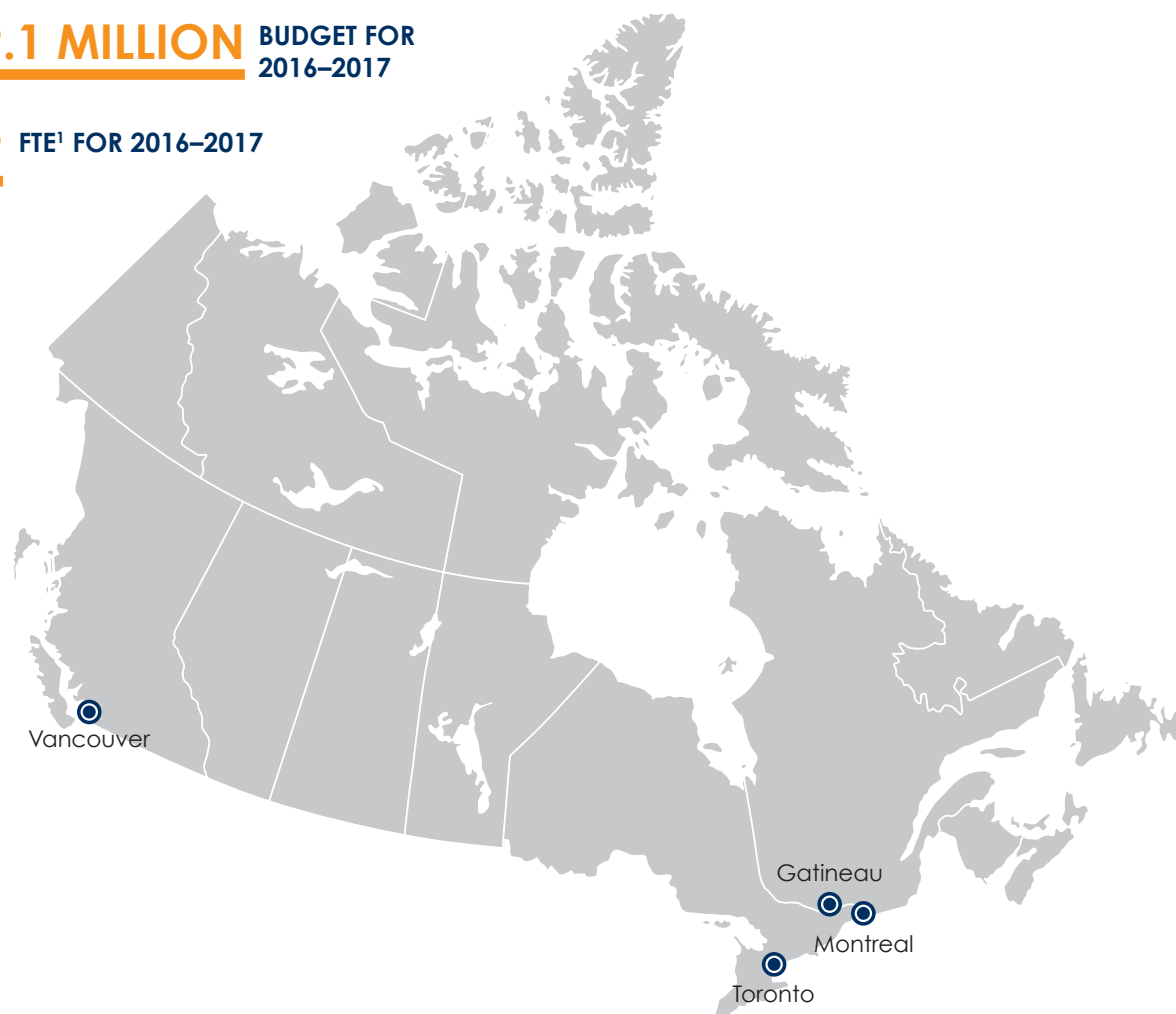
THE BUREAU AT A GLANCE

Our organization is headquartered in Gatineau, Quebec, and has regional offices in Montreal, Toronto and Vancouver.

BUDGET AND EMPLOYEES

 **\$49.1 MILLION** BUDGET FOR 2016–2017

 **369** FTE¹ FOR 2016–2017



¹ Full-time equivalent employees.

OUR STRUCTURE

ENFORCEMENT BRANCHES

Cartels and Deceptive Marketing Practices Branch

- Cartels Directorate
- Deceptive Marketing Practices Directorate

Mergers and Monopolistic Practices Branch

- Mergers Directorate
- Monopolistic Practices Directorate

ENFORCEMENT SUPPORT BRANCHES

Competition Promotion Branch

- Economic Analysis Directorate
- International Affairs Directorate
- Policy, Planning and Advocacy Directorate
- Public Affairs and Outreach Directorate
- Compliance Unit

Corporate Services Branch

- Enforcement Services Directorate
- Finance, Administration and Information Management Directorate
- Talent Management and Development Directorate

THE YEAR IN NUMBERS

\$44.85 MILLION

IN FINES, ADMINISTRATIVE MONETARY PENALTIES²
IMPOSED AND CONSUMER RESTITUTION



10,589

COMPLAINTS AND INFORMATION REQUESTS RECEIVED BY THE BUREAU INFORMATION CENTRE⁴

² Administrative monetary penalties (AMPs) are different from fines in that they are used to promote and encourage compliance with the *Competition Act*. Failure to pay an AMP may be enforced civilly as a debt due to the Crown. A fine, by contrast, is a punishment imposed by a court upon conviction of a criminal offence and failure to pay it may lead to imprisonment.

³ The Bureau also secured one guilty plea in a contested proceeding.

⁴ Number of complaints and information requests which relate to the Bureau's four statutes: the *Competition Act*, *Consumer Packaging and Labelling Act*, *Textile Labelling Act* and the *Precious Metals Marking Act*.

Enforcement

74
NEW INVESTIGATIONS COMMENCED



61
INVESTIGATIONS CONCLUDED

138
ONGOING INVESTIGATIONS

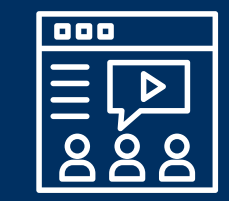
11
SEARCH WARRANTS ISSUED

33
ALTERNATIVE CASE RESOLUTIONS REACHED

10
CONSENT AGREEMENTS IN NON-MERGER CASES

8
CONSENT AGREEMENTS IN MERGER CASES

Advocacy and outreach



62
PUBLICATIONS

696,517
VISITS TO THE BUREAU'S WEBSITE

44,736
VIEWS OF THE BUREAU'S VIDEOS

301
MEDIA REQUESTS

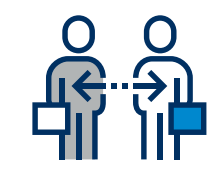
35
ADVOCACY INITIATIVES

4
REPRESENTATIONS TO REGULATORY BODIES

29
OTHER ADVOCACY INITIATIVES

2
ISSUES OF THE COMPETITION ADVOCATE PUBLISHED

Partnerships



2
NEW INTERNATIONAL COOPERATION AGREEMENTS

3
NEW DOMESTIC PARTNERSHIP AGREEMENTS

43
FORMAL BILATERAL MEETINGS WITH FOREIGN LAW ENFORCEMENT AND COMPETITION AGENCIES

35
MEETINGS AND WORKSHOPS WITH INTERNATIONAL FORA

PRIORITY 1: INCREASE COMPLIANCE

WE ENCOURAGE INNOVATION BY STANDING UP TO ANTI-COMPETITIVE BUSINESS PRACTICES

Enforcement and compliance outreach are essential tools in the fight against anti-competitive activities that stifle innovation. We continued to work on several high-impact enforcement cases targeting cartels, bid-rigging and abuse of dominance, reviewing proposed mergers and acquisitions, and raising awareness among Canadian businesses about the importance of complying with the *Competition Act*.

PRIORITY 1

Use all available tools to increase compliance with Canada's competition laws, and prevent and deter anti-competitive or deceptive conduct that could threaten the health, growth and confidence in the Canadian economy.

COMMITMENTS	STATUS
Support innovation in the digital economy by deterring anti-competitive conduct that impedes new entrants, products and services and by stopping deceptive marketing practices in e-commerce.	<div></div>
Raise awareness throughout the procurement community and among potential bidders about bid-rigging related to infrastructure spending, given increasing public-sector investment.	<div></div>
<div><div>• Deliver a minimum of thirty bid-rigging/compliance presentations to targeted audiences</div></div>	<div><div></div></div>
<div><div>• Use data screening mechanisms to detect potential bid-rigging</div></div>	<div><div></div>⁵</div>
Increase small and medium-sized businesses' awareness of the importance of complying with the statutes administered by the Bureau.	<div></div>
<div><div>• Leverage membership networks of small and medium sized businesses associations to expand reach</div></div>	<div><div></div></div>
<div><div>• Engage in targeted outreach with small and medium businesses across the country to promote the adoption of corporate compliance programs</div></div>	<div><div></div></div>
<div><div><div><div></div></div>ACHIEVED</div><div><div><div></div></div>PARTIALLY ACHIEVED</div><div><div><div></div></div>NOT ACHIEVED</div></div>	

⁵ Screening mechanisms are under development.

CARTELS AND BID-RIGGING

Price-fixing and bid-rigging inhibit innovation, drive up prices and reduce consumer choice. They are also serious criminal offences. Continuing our crackdown on cartels, in 2016–2017, we secured significant fines and laid charges against several companies in the infrastructure and auto-parts sectors.

Protecting infrastructure investments with our law enforcement partners

The Government of Canada is investing billions in infrastructure. That makes it more important than ever to put a stop to bid-rigging in the infrastructure sectors. Bid-rigging on public contracts prevents the government from getting good value for tax dollars spent. It stifles competition in the market by favouring colluding firms to the detriment of competing firms or those attempting to enter the market and reduces innovation in the construction industry. Our investigations in 2016–2017 were backed by solid partnerships with Canada's law enforcement agencies, including a joint investigation with the *Sûreté du Québec* that resulted in multiple guilty pleas and fines in Quebec for bid-rigging and collusion in Saint-Jean-sur-Richelieu.

A huge win against international cartels

Our investigation into an international conspiracy led to the second-largest fine ever ordered by a Canadian court for bid-rigging. Japanese auto-parts manufacturer Showa Corporation pleaded guilty and was fined \$13 million by the Ontario Superior Court of Justice for engaging in a secret arrangement with another supplier of electric power steering gears sold to Honda for cars manufactured in Canada. Since April 2013, our investigations into bid-rigging agreements among auto-parts suppliers have resulted in more than \$70 million in fines imposed by Canadian courts.

Helping the public sector get wise to cartel activity

With greater focus on public outreach, we were able to help even more public procurement officers and government officials detect and prevent bid-rigging on public contracts. Over the year, we gave 35 presentations to groups of procurement officers at all levels of government to raise awareness of cartel behaviour and provide practical tips on how to recognize when a call for bids might be a bid-rigging target. We also continued to co-develop a new screening mechanism with Public Services and Procurement Canada that can automatically sift through bid-submission data for signs of agreements between competitors.

\$13.28 MILLION

TOTAL FINES IMPOSED IN CARTEL CASES

5 GUILTY PLEAS (NON-CONTESTED)

2 INDIVIDUALS SENTENCED

1 COMPANY CHARGED CRIMINALLY



Award-winning compliance promotion

The ultimate responsibility for respecting Canada's competition laws falls to the companies engaged in the marketplace. To comply successfully, those businesses need reliable, expert guidance. In September 2016, we were honoured with the 2016 International Compliance and Ethics Award from the Society of Corporate Compliance and Ethics in recognition of our support for Canadian businesses.

Over the course of the year, we held 32 compliance outreach events across Canada. Many focused on encouraging small and medium-sized businesses to adopt corporate compliance programs. To reach

as wide an audience as possible, we partnered with the Canada Business Network (CBN), giving presentations at local small business support offices across the country. We also expanded our outreach by establishing new relationships with non-profit groups like Futurpreneur Canada, which led to an appearance at its annual summit and other speaking engagements at small business events. We further promoted our compliance messaging through new educational material, including four new compliance blogs posts and a crossword puzzle to help stakeholders familiarize themselves with compliance concepts in an accessible way.

35 BID-RIGGING PRESENTATIONS TO PUBLIC PROCUREMENT OFFICERS

32 COMPLIANCE OUTREACH EVENTS

36 TARGETED OUTREACH (PRESENTATIONS AND GUIDANCE) TO SMALL AND MEDIUM-SIZED BUSINESSES

5 COMPLIANCE PUBLICATIONS

COMPETITION AND INNOVATION IN THE DIGITAL ECONOMY

To maximize the potential benefits that innovative new products, services and business models provide Canadians, we took targeted action to support the growth of a competitive digital economy by investigating and deterring anti-competitive conduct in several sectors.

Fighting for innovation in real estate services

Our ongoing abuse of dominance case against the Toronto Real Estate Board (TREB) reached a critical point in April 2016 when the Competition Tribunal ruled that TREB had abused its market power by preventing real estate agents from offering certain services and information online. Had TREB not imposed such restrictions, its members could have offered new and innovative products and services over the internet to help home buyers and sellers make more informed

choices about one of the most significant investments of their lives. The decision has been appealed by TREB to the Federal Court of Appeal.

Ensuring consumer-friendly pricing for ebooks

We achieved an important milestone in our ebooks case, signing consent agreements in January 2017 with publishers Hachette, Macmillan and Simon & Schuster, as well as Apple. These agreements will allow retailers to offer discounts on ebooks and compete on the prices of ebooks — ensuring consumers can benefit from retail price competition in this growing market. These agreements are currently on hold pending the outcome of a challenge brought by Kobo. As no agreement has been reached with a fourth publisher, HarperCollins, the Commissioner has filed an application with the Competition Tribunal for an order to stop its alleged anti-competitive conduct.

Greater transparency in digital economy cases

We promote transparency and certainty for businesses by providing guidance on our approach to enforcement in digital economy cases. In 2016, we published position statements summarizing the results of the following investigations:

- To increase predictability for marketplace participants in the digital economy, we conducted an extensive investigation into several allegations that Google was not complying with the abuse-of-dominance provisions of the Competition Act. We found evidence to support only one of the allegations relating to certain

contracts with advertisers. This issue was resolved when Google made changes to its contracts to give advertisers more flexibility to use competing advertising platforms.

- Our investigation into TMX Group Limited, which operates the Toronto Stock Exchange, focused on access to securities market data. We found that while TMX Group had refused requests by investment dealers to share private market data, the conduct was unlikely to violate the *Competition Act* as it was doubtful that sufficient future competition would have materialized.
- We closed our investigation related to Apple's contracts with Canadian wireless carriers that sell and market iPhones. We did not find sufficient evidence to conclude that Apple had engaged in an abuse of dominance under the *Competition Act*.

+80% NUMBER OF ENFORCEMENT CASES IN THE DIGITAL ECONOMY COMPARED TO PREVIOUS YEAR

43 DIGITAL ENFORCEMENT CASES STARTED

35 DIGITAL ENFORCEMENT CASES CONCLUDED

44 DIGITAL ENFORCEMENT CASES ONGOING

MERGER REVIEWS

We review mergers of all sizes and in all sectors to ensure they will not substantially lessen or prevent competition, so that consumers and businesses will continue to benefit from a dynamic marketplace that offers innovative products and services, increased choice and competitive prices. In 2016–2017, we completed 222 merger reviews, including 53 complex reviews in industries that have a significant impact on the day-to-day lives of Canadians. We also reached eight consent agreements that required merging companies to sell assets or take other measures to address competition concerns.

Competition is in stock at the drugstore

We reviewed the proposed \$3 billion acquisition of the Rexall pharmacy retail chain by McKesson, the largest wholesaler of prescription and over-the-counter drugs

in Canada. After determining that the proposed merger would significantly reduce competition in both the wholesale and retail supply of certain pharmaceutical products and services, we entered into a consent agreement requiring McKesson to sell Rexall stores in 26 markets in British Columbia, Alberta, Saskatchewan, Ontario and the Northwest Territories, and to restrict the transmission of commercially sensitive information between its wholesale business, the Rexall retail business and the Claim Secure healthcare claims adjudication business.

For a more transparent merger review process

We published a template for merger consent agreements that gives the legal and business communities more insight into the terms we negotiate for merger remedies. We also ramped up our efforts to provide guidance to the legal community, industry stakeholders and the public by publishing 17 position statements describing our analysis of a proposed acquisition or merger.

222 MERGERS REVIEWS COMPLETED

169 NON-COMPLEX REVIEWS

53 COMPLEX REVIEWS

99% NON-COMPLEX MERGERS REVIEWED WITHIN SERVICE STANDARD

74% COMPLEX MERGERS REVIEWED WITHIN SERVICE STANDARD

8 MERGER-RELATED CONSENT AGREEMENTS

1 MERGER ABANDONED DUE TO COMPETITION CONCERNS

17 POSITION STATEMENTS PUBLISHED

Preserving fair retail gas prices

A lack of competition at the pumps hurts consumers and businesses alike. In June 2016, we reached a consent agreement to address concerns related to Le Groupe Harnois Inc.'s proposed acquisition of the gasoline supply arrangements of Distributions pétrolières Therrien Inc. To prevent Harnois from being able to raise retail prices at its corporate stations and wholesale prices at the dealer stations it supplies, the agreement requires Harnois to sell either a retail station or distribution contract in Quebec, and removes its ability to influence gasoline retail prices in the area.

That agreement was followed by one with Couche-Tard, in September 2016, related to its acquisition of retail gasoline sites from Imperial Oil. The agreement required that two gas stations be sold to a purchaser approved by the Commissioner and resolved our concerns that the proposed transaction would reduce competition substantially in a local market near the South Shore of the Montréal area and in Carleton Place, in eastern Ontario.

Protecting the seeds of innovation in Canada's agriculture sector

We reviewed a number of mergers in the agricultural industry over the past year, looking at whether the proposed transactions would affect competition and were likely to affect the innovation efforts of the merging parties. While some mergers did not raise any concerns,

others did, such as Crop Production Services' (CPS) acquisitions of the agri-product retail stores of Andrukow and Wendland. To resolve our concerns, CPS agreed to sell some of its retail locations in Alberta and Saskatchewan. Our work in this sector continues, with ongoing reviews of the proposed Agrium/Potash, Dow/DuPont and Bayer/Monsanto mergers.

Protecting competition in Manitoba's wireless market

When Bell announced its intention to acquire Manitoba Telecom Services (MTS), we undertook a nine-month investigation to ensure the merger would not have anti-competitive effects. After reviewing, we concluded that the merger would likely lessen or prevent competition for retail wireless services in Manitoba and lead to higher prices and fewer options for Manitobans. To resolve this issue, we reached a consent agreement with Bell which required it to sell six retail stores, 24,700 subscribers and 40 MHz of spectrum to Xplornet — a leading provider of rural broadband internet through fixed wireless and satellite networks throughout Canada, including rural Manitoba — establishing a new entrant in the Manitoba mobile wireless services market. Additionally, Bell committed to selling a significant number of its MTS subscribers and approximately one-third of its MTS dealer locations to TELUS.

PRIORITY 2: EMPOWER CANADIANS

WE GIVE CANADIANS THE POWER TO MAKE SMARTER AND SAFER CHOICES

Fake online reviews, mass marketing schemes, undisclosed fees and hidden terms and conditions do more than just hurt Canadian consumers. By reducing consumer confidence in the marketplace, business growth and innovation also suffer. People need to trust that what they see is what they will get — so we tackle deceptive marketing practices head-on and provide Canadians with the tools and advice to defend themselves against the latest scams, as well as misleading practices.

PRIORITY 2

Create an environment of competitive prices, greater product choice and informed decision-making for the benefit of all Canadians.

COMMITMENTS	STATUS
Provide timely and accurate warnings to reduce the risk of Canadian consumers being victims of civil and criminal deceptive marketing.	
• Consult with partners to develop a Consumer Deceptive Marketing Advisory System (CDMAS) ⁶	●
• Increase the Bureau's use of social media and other digital engagement capabilities	●
● ACHIEVED ● PARTIALLY ACHIEVED ○ NOT ACHIEVED	

⁶ Although this was initially referred to as the consumer deceptive marketing advisory system (CDMAS) in the Competition Bureau's 2016–2017 Annual Plan, it is now referred to as "consumer alerts."

DECEPTIVE MARKETING PRACTICES

While advertising aims to entice consumers to buy, it must do so in truthful ways. Unfortunately, that is not always the case. That is when we step in to restore consumer confidence.

Record-setting compensation for Canadian consumers

Once again, we secured record-setting refunds for Canadians misled by deceptive marketing practices, including those unknowingly charged for unwanted “premium” text messages like ringtones and trivia quizzes. In 2012, we took Canada’s three big telecom carriers (Bell, Rogers and Telus) and the Canadian Wireless Telecommunications Association to court for allowing third parties to advertise and charge customers for unauthorized messages. In May 2016, Bell agreed to pay up to \$11.82 million to affected customers — the largest restitution ever obtained through a consent agreement — and to donate approximately \$800,000 to public interest advocacy groups. This agreement concluded the Bureau’s investigation into this matter, as we previously reached agreements with Telus and Rogers.

We also investigated the marketing practices of Volkswagen and Audi, concluding that they had made false environmental marketing claims to promote some of their diesel-powered vehicles. We participated in a proposed class-action settlement against the companies, resulting in an order to pay up to \$2.1 billion in compensation to affected consumers — one of the largest consumer settlements in Canadian history.⁷ We also reached a separate consent agreement with Volkswagen and Audi that led to an additional \$15 million penalty.

⁷ The settlement was approved by the courts on April 21, 2017.

⁸ This was the Bureau’s first proceeding under the new provisions of the *Competition Act* that came into force as part of Canada’s Anti-Spam Legislation (CASL) in July 2014, as Avis and Budget used electronic messages to disseminate the alleged false or misleading representations.

Bringing hidden fees to light

Practices like drip pricing, where an advertised price is unattainable due to extra mandatory fees or charges, have a significant impact on consumer confidence. We continued to crack down on companies who use this tactic, reaching a settlement with Avis and Budget that required the rental car companies to pay a \$3 million penalty.⁸ In a similar case, we required telecom service provider Comwave to pay \$300,000 in penalty for advertising its internet and phone plans as having unlimited usage even though monthly caps were in place and for misrepresenting charges for telecommunications services with advertised prices that were unattainable because of additional non-optional fees. Each company also agreed to implement a corporate compliance program to ensure their advertising complies with the law, and was required to cover some of the expenses related to the Bureau’s investigation — \$250,000 for Avis and Budget and \$60,000 for Comwave.

Taking action when the price is not right

When companies promote their products and services at sale prices, it is against the law to entice consumers with misleading references to “regular prices”. In 2016–2017, Amazon Canada agreed to pay a \$1 million penalty for comparing its prices to higher “list prices” without verifying that they actually represented the real market price. As a result of our investigation, Amazon corrected its pricing practices not only on its Canadian website, but also on www.amazon.com.

We also took legal action in February 2017 against the Hudson’s Bay Company (HBC) for what we consider to be deceptive regular prices claims and deceptive clearance promotions for mattresses and foundations sold together as sleep sets. Our investigation found that HBC has engaged in deceptive marketing practices by offering sleep sets at grossly inflated regular prices and then advertising deep discounts on these prices, suggesting significant deals to consumers. This case is ongoing.

Because “Made in Canada” should mean what it says

Many people are willing to pay a premium for products manufactured in Canada — so any clothing with a “Made in Canada” label should be telling the truth. During the year, we reached an agreement with Moose Knuckles to address concerns that its parkas labelled as Canadian-made were actually manufactured in Asia with the finishing touches applied here at home. In December 2016, the company agreed to make it clearer that some parkas are made with Canadian and imported components. It also agreed to add more operations at its Canadian factories and to donate \$750,000 to charities in Canada, including those that provide winter jackets to children in need.

UP TO \$11.82 MILLION

CUSTOMER RESTITUTION OBTAINED

\$19.3 MILLION

ADMINISTRATIVE MONETARY PENALTIES ISSUED

15 CONSUMER AND BUSINESS ALERTS ISSUED

696,517 WEBSITE VISITS

44,736 VIDEO VIEWS

13,043 SOCIAL MEDIA ENGAGEMENTS⁹

8,669 TWITTER HITS

9,757 MEDIA HITS

⁹ Number of times that other social media accounts liked or loved Bureau social media posts, commented on a post or shared/retweeted content to their followers.

FRAUD PREVENTION

Giving Canadians tools and guidance to protect themselves against fraud and deceptive marketing practices is essential to our consumer-focused work. In 2016–2017, we increased our engagement efforts to reach out to more Canadians than ever about these important issues.

A new system for warning Canadians about scams

We developed a new consumer alert system to warn Canadians about the dangers of new scams, misleading advertising and deceptive marketing practices. This included consulting with our partners on best practices and leveraging our network of partners to share our alerts with a wider audience.

We issued 12 consumer alerts and three business alerts covering topics such as fake charity/donation appeals and deceptive door-to-door tactics used to sell water heaters. These earned substantial public and media interest: for example, our pre-Valentine’s Day alert about the hidden terms and fake profiles used to get people to sign up for online dating websites was featured in a CTV News interview seen by more than 1.37 million people.

Together in the fight against fraud

As chair of Canada’s Fraud Prevention Forum, the Bureau plays a leading role in fraud prevention. The Forum brings together more than 80 law enforcement agencies, businesses and public-sector organizations to educate Canadians about the impact of fraud and how they can protect themselves from being victimized. In addition to ongoing collaboration throughout the year, Forum members participate in an annual Fraud Prevention Month campaign each March.

As part of our campaign for Fraud Prevention Month in March 2017, we encouraged social media users to share their tips for fighting fraud. On *Mythbuster Mondays*, we debunked common misconceptions about fraud using the hashtag #mythbusters. On Fridays, we published a #TipOfTheWeek related to a particular scam and in between, our popular *Fraudfacts* messages highlighted eye-opening statistics related to scams.

We also engaged Canadians during a 2 Good 2 B True Twitter chat about fake online endorsements, posting and sharing tweets that reached approximately 440,000 twitter handles. In addition, we participated in 11 *Fraudchats* hosted by the Financial Services Commission of Ontario.

Expanding our reach

During Fraud Prevention Month 2017, we developed and shared more than 750 social media messages on multiple platforms. Our campaign hosted more than 16,000 tweets and retweets, reaching 5.8 million Twitter users (up nine percent from 2016).

Throughout the year, we used our social media presence to reach as many Canadians as possible. In 2016–2017, we increased our Twitter followers by 37 percent and our Facebook followers by 41 percent, and issued 74 percent more tweets than the previous year. We also launched a new Canada150 series in March 2017, posting one message each month about the Bureau's history to Twitter, Facebook and LinkedIn.

Reaching out to more Canadians

As part of our work to promote and protect competition in Canada, we delivered 160 speeches and presentations to consumers, partners, academia, and the legal and business communities on topics ranging from innovation in the financial sector to building trust in the online marketplace. We also issued 62 publications (e.g., bulletins, guidelines, videos, pamphlets) and 17 position statements, including a backgrounder on the Volkswagen/Audi settlement explaining the options available to affected consumers.

In addition, we further engaged with Canadians by publishing:

- 12 issues of *CB in Brief*, a monthly publication that provides a snapshot of recent Bureau news and developments.
- 77 announcements on enforcement outcomes, regulatory interventions and cooperation agreements.



PRIORITY 3: PROMOTE COMPETITION

WE ADVOCATE FOR A MARKETPLACE THAT NURTURES COMPETITION AND INNOVATION

The Canadian Government's Innovation Agenda aims to put Canada at the forefront of digital development and adoption. As emerging technologies reshape the business landscape, we work to make sure Canadian laws and regulations adapt to reflect the new reality, giving businesses the freedom to grow and compete at home and abroad — while continuing to protect and promote the interests of consumers.

PRIORITY 3

Promote and advocate for a more competitive marketplace, emphasizing smart regulation focused on achieving legitimate regulatory objectives.

COMMITMENTS	STATUS
Foster innovation through a pro-competitive approach to regulation.	
• Undertake a market study of technology-led innovation and emerging services in the Canadian financial services sector	⦿
• Complete three competition promotion/advocacy pieces pertaining to new forms of competition	⦿ ¹⁰
Strengthen our analytical frameworks and address competitive implications through workshops with stakeholders.	
• Address markets impacted by innovative technologies, services and business models by hosting a workshop that examines emerging competition issues	⦿
• Host a workshop related to Anti-Cartel Day	⦿ ¹¹
⦿ ACHIEVED ⦿ PARTIALLY ACHIEVED ○ NOT ACHIEVED	

10 The Bureau completed two advocacy promotional pieces focusing on restrictions in healthcare advertising and nurse practitioners. Due to competing priorities, it was determined that a third would not be completed.

11 In light of competing priorities and given that the Bureau was selected to host the 2017 International Competition Network Cartel Workshop in October 2017, it was determined that an Anti-Cartel Day workshop would not be held in 2016–2017.

COMPETITION IN THE HEALTHCARE SECTOR

Greater competition and innovation in Canada's health care sector can bring lower costs and better service for consumers. In 2016–2017, we released a pair of publications advocating for more competition in this vital industry.

A closer look at healthcare advertising restrictions

In October 2016, we published a [report](#) suggesting that the restrictions on what healthcare providers can advertise are unintentionally reducing competition and stifling innovation. While intended to protect consumer safety (by putting service quality ahead of price competition), we found that these restrictions have not had an impact on quality and have actually led to unnecessarily high prices. As such, we encouraged policy makers to collect more data on the potential impacts of their policies on Canada's healthcare markets when crafting new regulations. At the same time, we released a new issue of the [Competition Advocate](#), which includes internationally-accepted best practices for regulators to follow when developing effective regulation.

Where competition meets the common cold

With many Canadians finding it difficult to get a doctor's appointment when they need one, nurse practitioners could help by treating common illnesses, ordering tests and prescribing medication. Independent nurse practitioners represent a new innovative health care business model in Canada. Our March 2017 issue of the [Competition Advocate](#) encouraged healthcare regulators to review the current policies that restrict nurse practitioners from operating independently. Allowing independent nurse practitioners to provide health care services could reduce wait times, improve patients' access, and increase consumer choice. Since some provinces are currently considering how best to incorporate nurse practitioners into their health care frameworks, we will continue to advocate that choice and innovation be central to that discussion.

4 REPRESENTATIONS BEFORE REGULATORY BODIES

29 OTHER ADVOCACY INTERVENTIONS

2 ISSUES OF COMPETITION ADVOCATE PUBLISHED

228 PARTICIPANTS AT OUR FINTECH WORKSHOP

PROTECTING CONSUMERS AND BUSINESSES

Throughout 2016–2017, we continued to advocate for a strong, healthy and competitive economy that can deliver the benefits of lower prices, more consumer choice and greater innovation to Canadian consumers and businesses.

A new framework for strengthening net neutrality

We called on the Canadian Radio-television and Telecommunications Commission (CRTC) to stop internet service providers (ISPs) from using differential pricing. By charging lower data-usage rates for their own content (or that of their affiliates) than for similar content from other sources, ISPs are harming competition and impeding consumer choice. We presented our recommendations to the CRTC in the Fall of 2016, as part of their consultations on differential pricing for wireline and wireless data plans. In April 2017, the CRTC unveiled a new regulatory framework that prohibits not only differential pricing but also the preferential treatment of any type of data by ISPs.

Standing up for drywall consumers in Western Canada

In September 2016, anti-dumping duties were provisionally imposed on drywall imported into Western Canada from the United States after the only domestic producer of drywall in Western Canada lodged a complaint with the Canada Border Service Agency under the *Special Import Measures Act*. Those duties

ultimately restricted competition from U.S. drywall suppliers, with public information suggesting that the duties increased prices by as much as 30 percent for certain large customers and up to 80 percent at big box retail outlets. With concerns expressed by home builders and the media, the Government of Canada issued an Order in Council to the Canadian International Trade Tribunal (CITT) to quickly assess and report on the competitive impacts of the duties. We provided the CITT with a framework for assessing those impacts, which helped the CITT conclude that fully imposing the duties would go against Canada's economic, trade and commercial interests. The Government subsequently lowered the tariff — by more than 32 percent — and provided approximately \$12 million in compensation to consumers in Fort McMurray who had been affected by higher drywall costs during post-wildfire rebuilding in 2016. For our contribution, we received an honourable mention from the International Competition Network and World Bank Group, as part of their 2016–2017 Competition Advocacy Contest, for our competition advocacy in the drywall industry.

INTELLECTUAL PROPERTY ENFORCEMENT

Innovation in a knowledge-based economy generates intellectual property (IP) — ideas, concepts, plans, designs and more that can be sold and licensed by their owners. While that IP needs protection as an asset for companies' profitability and growth, it can also be used strategically to engage in anti-competitive conduct. Last year, we released an updated version of our [Intellectual Property Enforcement Guidelines \(IPEGs\)](#) to provide greater clarity on how we deal with competition issues involving IP. In March 2017, leading international antitrust experts named the IPEGs as the most innovative non-enforcement tool at the International Antitrust Writing Awards. We also began our first annual review of the IPEGs, as part of our commitment to review them each year and revise as required.

INNOVATION IN THE FINANCIAL SERVICES SECTOR

By sharing our expertise with government, regulators, businesses and consumers, we are helping to identify and remove barriers to competition in specific industries, including the financial technology (FinTech) market.

In May 2016, we launched a market study into technology-led innovation in the financial services sector to better understand the impact these innovations will have on the competitive landscape. The study will allow us to provide guidance to policymakers on how best to create an environment that will allow FinTech innovation to thrive in Canada. Over the past year, we consulted and received submissions from more than 100 stakeholders representing all segments of the financial services sector, including banks, FinTech start-ups, federal and provincial regulators, international agencies, and consumer and business groups. We also created a [FinTech web portal](#) to provide Canadians with the most recent updates on the market study, which will be finalized and published by the end of 2017.

A workshop on FinTech

As part of our FinTech market study, we organized a one-day workshop in February 2017 that brought together FinTech firms, banks, regulatory authorities, policymakers and international experts to engage in discussions on competition, innovation and regulation in the financial services sector. The workshop was attended by 133 participants from across Canada and abroad as well as approximately 95 participants via webcast. An [overview of the workshop](#) highlights is available on our website.

PRIORITY 4: COLLABORATE WITH PARTNERS

WE WORK WITH OUR PARTNERS TO PROMOTE AND PROTECT COMPETITION AROUND THE WORLD

One of the goals of the Innovation Agenda is to make Canada a top destination for global investment. We are helping achieve that by sharing best practices in competition policy with our international counterparts, teaming up with law enforcement agencies to stop anti-competitive conduct, and shaping free trade agreements to ensure that the benefits of trade liberalization are not offset by anti-competitive business conduct.

PRIORITY 4

Collaborate with domestic and international partners to promote strong competition principles and expand opportunities for Canadian participation in world markets.

COMMITMENTS	STATUS
Facilitate more transparent interaction with other domestic regulators and enhance our ability to effectively administer labelling statutes by concluding additional memoranda of understanding.	<div></div>

COMMITMENTS	STATUS
Enhance and strengthen our network of international partners to address anti-competitive activity and deceptive marketing practices that cross borders and promote convergence in competition law policy.	
<ul style="list-style-type: none">Support trade liberalization efforts of the government by engaging in competition related cooperation with competition authorities in the Asia Pacific region and other regions	<div></div>
<ul style="list-style-type: none">Participate in at least two technical cooperation and capacity-building projects	<div></div>
<ul style="list-style-type: none">Fulfill Canada's free trade agreement obligations by advancing negotiations of competition related cooperation instruments	<div></div>
<ul style="list-style-type: none">Inform and advance competition policy by focusing our participation in multilateral international fora (e.g., Organisation for Economic Co-operation and Development (OECD), International Competition Network (ICN), International Consumer Protection and Enforcement Network (ICPEN)) on topics related to efficiencies, innovative business models, the digital economy, market studies and the evaluation of the impact of competition authorities' activities	<div></div>

ACHIEVED PARTIALLY ACHIEVED NOT ACHIEVED

DOMESTIC AND INTERNATIONAL PARTNERSHIPS

In an increasingly globalized marketplace, partnering with other Canadian agencies and our international peers allows us to extend our reach while making more efficient use of our resources.

A worldwide community of competition policy and enforcement

We worked closely with the U.S. Department of Justice on a bid-rigging conspiracy involving Japanese auto-parts manufacturer Nishikawa Rubber Co. Ltd., leading to a USD\$130 million fine to address harms caused in both Canada and the U.S. By avoiding costly duplication of effort, we were able address the harm caused and get the most from our limited resources.

We also met with other competition agencies to share best practices and intelligence on enforcement and policy development, including high-level meetings with our American and Mexican counterparts in May 2016, the United Kingdom's Competition and Market Authority in July 2016, and the European Commission's Directorate General for Competition in March 2017. With a focus on increasing our engagement in the Asia-Pacific region, we also met with partners and participated in events in China, India, Indonesia, Taiwan, Hong Kong, Japan and Malaysia.

Building a stronger partner network

We strengthened our network of international partners by signing two new cooperation instruments in 2016–2017. We signed a memorandum of understanding (MOU) with the Hong Kong Competition Commission, its first international cooperation instrument related to competition. We also signed a second-generation arrangement with the New Zealand Commerce Commission, enhancing our capacity to share information and provide investigative assistance. As of March 31st, 2017, we have entered into cooperation instruments with 14 jurisdictions worldwide.

We signed new MOUs with Canadian agencies, including an MOU with the Inspector General of the City of Montréal that will allow us to leverage each other's expertise and resources to better detect and

deter price-fixing and bid-rigging in that city. The MOU we signed with Transport Canada, meanwhile, will enhance cooperation in the assessment of mergers, acquisitions and joint ventures in the transportation sector. We now have MOUs with more than a dozen law enforcement and regulatory agencies across Canada.

- 2

NEW INTERNATIONAL COOPERATION AGREEMENTS SIGNED
- 43

MEETINGS WITH FOREIGN LAW ENFORCEMENT AGENCIES OR COMPETITION AUTHORITIES
- 35

INTERNATIONAL FORA MEETING AND WORKSHOPS
- 10

TECHNICAL ASSISTANCE INITIATIVES
- 3

NEW DOMESTIC COOPERATION AGREEMENTS SIGNED

A global exchange of competition insight and experience

One of the best ways to protect consumers in Canada and around the world is by sharing best practices with our international counterparts. We did that through 10 technical assistance projects and capacity — Committee of Ukraine, Taiwan Fair Trade Commission and African Competition Forum. We also delivered a presentation on international cooperation in mergers to Asian competition agencies at the OECD Korea Policy Centre.

To facilitate greater understanding and cooperation with our partners, we exchanged staff with our counterparts in India, South Korea and Hong Kong. One of our managers also worked with the U.S. Federal Trade Commission and the OECD to provide enforcement advice to the Anti-Monopoly Commission of Ukraine, while another Bureau officer joined the European Commission's Directorate General for Competition for a six-month term. We also hosted visiting delegations from foreign competition agencies on tours to Canada, including a study visit by the Korea Fair Trade Commission.

Promoting and protecting competition in trade

To ensure that the benefits of trade liberalization are not hindered by anti-competitive behaviour, we continued to support the government's trade-liberalization efforts. We worked closely with Global Affairs Canada to negotiate the competition policy provisions in many of Canada's free trade agreements, including the Canada-Ukraine Free Trade Agreement, the Trans-Pacific Partnership Agreement and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).

MULTILATERAL FORA AND EVENTS

In 2016–2017, we once again took a leadership role in many organizations that promote sound competition policies internationally and address anti-competitive conduct that crosses borders:

OECD

As a Member of the OECD Competition Committee, we help shape global competition policy by participating in events like the OECD Ministerial on the Digital Economy, where the Commissioner of Competition spoke on consumer trust and market growth in the digital economy. In 2016–2017, we also made five formal submissions on topics such as sanctions in antitrust cases, fidelity rebates and public interest considerations in merger control. In addition, we continued to act as liaison to the ICN and OECD.

ICN

ICN is a group of competition authorities devoted to improving collaboration on competition law enforcement. As ICN Secretariat and member of the

Steering Group, we contributed to many products and events, including co-hosting the first ICN Chief Economist Workshop. We concluded our three-year term as co-chair of the Merger Working Group, coordinating a number of merger panels including a Merger Workshop on Investigative Techniques in Washington, D.C., and a panel on merger nexus and thresholds at the ICN Merger Roundtable in Paris, France. During our tenure on the Merger Working Group we also led development of the first *Recommended Practices on Merger Remedies*. We have now started our term as co-chair of the Agency Effectiveness Working Group, which aims to develop and share best practices for enforcement planning and operations among members and non-government advisors.

ICPEN

ICPEN brings together 80 countries to tackle deceptive marketing practices and other consumer issues. In addition to attending several ICPEN conferences and workshops — including hosting a session on online platforms and intermediaries in September 2016 — we were also involved in working groups such as the Online Lead Generation Project Group, which explores the collection and sale of online user information. We also once again led ICPEN's annual Internet sweep, with the 2016 edition focusing on identifying websites whose business models rely on online reviews and endorsements.

International Mass Marketing Fraud Working Group (IMMFWG)

We played a significant part in the IMMFWG's International Day of Action Against Mass Marketing Fraud in June 2016, working with our law enforcement partners to draw attention to the serious problem of telemarketing, internet, mass mailing and other types of fraud.

PRIORITY 5: CHAMPION EXCELLENCE

WE PLACE INNOVATION AND OPENNESS AT THE HEART OF OUR ORGANIZATION'S CULTURE

To make our organization nimble, creative and ahead of the curve, innovation and continuous improvement are always encouraged within the Bureau. Whether by finalizing our strategy for attracting top talent or launching a new online communications platform for staff, we are ensuring our ability to maintain a high-performing workforce — as well as a respectful, diverse, healthy and inclusive work environment.

PRIORITY 5

Promote a culture of excellence throughout the Bureau founded on openness, collaboration and engagement, and securing tangible results.

COMMITMENTS	STATUS
Deliver a talent management strategy focused on planning, attracting, growing, engaging and retaining talents at all levels.	
Undertake concrete actions to build and sustain a healthy, respectful and supportive work environment and improve internal communications focused on continuous engagement.	
• Implement activities in the Bureau's Action Plan in response to the 2014 Public Service Employee Survey	
• Build a respectful, healthy and inclusive workplace and mental health awareness through ongoing dialogue	
• Foster a strong culture of diversity and inclusiveness and commitment to the use of both official languages through ongoing activities and new initiatives	
ACHIEVED PARTIALLY ACHIEVED NOT ACHIEVED	

GROWING OUR TALENT

In 2016–2017, we continued to support our employees giving them more opportunities to develop their skills and leadership qualities, and by working toward an even safer and more inclusive work environment.

Greater internal capacity and better processes

In 2016–2017, we reviewed more complex mergers in key sectors of the economy, continuing a trend which has seen the number of complex strategic mergers increase over the last three years. These types of merger reviews require a more complex analysis. To maintain our capacity to handle complex reviews, we hired several new economists in our Mergers and Monopolistic Practices Branch, and provided several training opportunities for existing staff to build their econometric capacity. We also developed new policy guides to optimize document reviews during major merger reviews and investigations.

In addition, we began looking at ways to streamline our processes and enhance the use of technology in relation to evidence handling, analysis and our ability to meet disclosure obligations in criminal matters. These internal assessments have led to application optimization and the development of new applications. We initiated projects to retrofit our digitization environment, optimize our litigation processing environment and

deploy a disclosure application. We also developed a new process for preserving electronic media required for Bureau investigations. Work on these initiatives will continue throughout 2017.

PROTECTING COMPETITION TAKES TALENT

We finalized and launched our Talent Management Strategy to provide employees with a clearer path for career development. It focuses on four priority areas identified by employees — development, training, mobility and engagement, and workplace issues — and outlines deliverables that will be implemented between 2017 and 2020 to attract, grow, engage and retain talent within our organization. Some of the actions already completed under this strategy include:

- Developing a new program for employee recognition
- Launching a development program for paralegals
- Launching an e-learning zone, a one-stop source for all of our learning activities accessible to all Bureau employees

We also delivered more than 40 training and information sessions to staff throughout the year, and facilitated the participation of Bureau employees in approximately 80 external training courses.

SUPPORTING MENTAL HEALTH, DIVERSITY AND INCLUSIVENESS

We undertook 37 new initiatives to build and sustain a safe, healthy, respectful and supportive work environment. In addition to hosting numerous awareness-raising events on issues related to mental health and diversity, we created the Competition Bureau Workplace Wellbeing Network to further explore and develop strategies for addressing various workplace issues affecting wellness and mental health. This new network supports government-wide efforts to build healthy, respectful and supportive work environments, including the Innovation, Science and Economic Development Canada's Mental Health Network and the Bureau's own Diversity and Inclusiveness Working Group.

At the same time, our Diversity and Inclusiveness Working Group looked at how diversity and inclusiveness affects productivity and innovation in the workplace. In the report on its findings, the group found that when leaders improve diversity and inclusion, they can better leverage the unique skills and viewpoints of all their employees — leading to better problem solving, collaboration, engagement, creativity and efficiency.

REIMAGINING HOW WE COMMUNICATE INTERNALLY

Based on staff feedback, we revamped our intranet site to improve how we communicate with our people. The new #Bureau portal and newsletter are dedicated to

sharing corporate information (such as notices about facilities, training opportunities, or health and safety issues) in a way that ensures employees get the information they need faster and more easily — and with fewer all-staff emails.

Responding to the 2014 Public Service Employee Survey

The Public Service Employee Survey (PSES) measures the opinions of public servants on topics such as employee engagement and leadership. In response to the findings of the 2014 PSES, we developed an action plan to address the key priority areas identified by our employees. Some of the actions taken in 2016–2017 include:

- Making mental health and workplace wellness a top management priority (to build a healthy, respectful and inclusive workplace).
- Enhancing training, learning and career development through the overarching Talent Management Strategy (to attract, develop and retain skilled employees).
- Facilitating mobility within the workplace (to create a more flexible workforce). Providing more timely information on workplace issues by launching the #Bureau portal (to improve the flow of information within the organization).





FINANCIAL DISCUSSION AND ANALYSIS

The Bureau's budget for 2016–2017 was \$49.1 million, including approximately \$10.9 million from user fees.¹² Expenditures were \$47.9 million, consisting of \$33.5 million in salaries for 369 full-time equivalents (FTEs) and \$14.4 million in non-salary expenses.

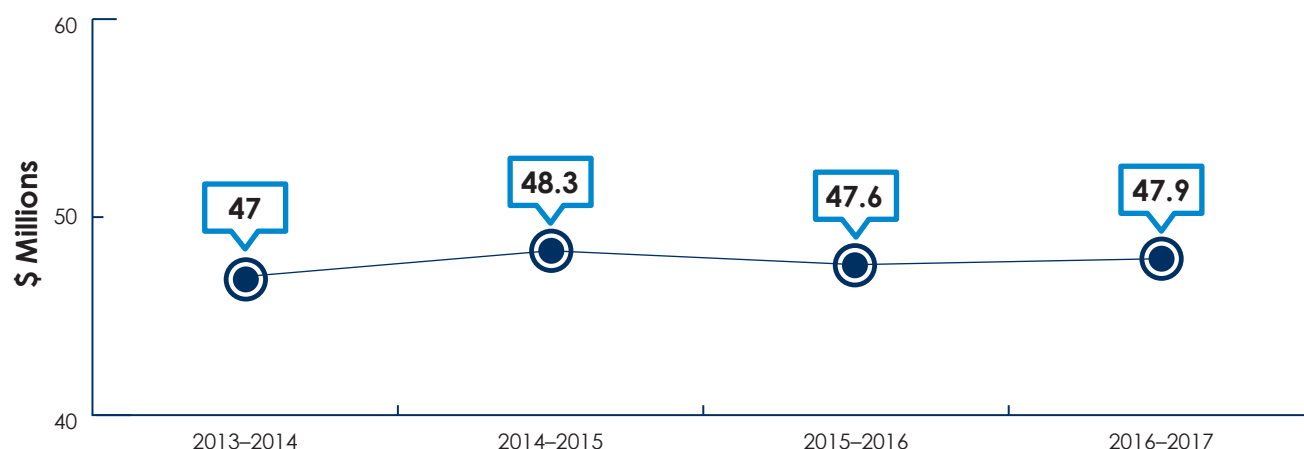
Table 1 presents the Bureau's authorized budget and expenditures for the year.

TABLE 1: AUTHORIZED BUDGET EXPENDITURES FOR 2016–2017

	Budget	Expenditure
Salary	\$34,217,397	\$33,497,195
O&M	\$14,466,573	\$14,117,223
Capital	\$370,000	\$249,927
TOTAL	\$49,053,970	\$47,864,345
FTEs	369	

FIGURE 1: BUREAU SPENDING TREND, 2013–2014 TO 2016–2017

Figure 1 illustrates the Bureau's spending trend from 2013–2014 to 2016–2017.



¹² The Bureau collected nearly \$10.9 million in user fees (including \$10,774,985 from pre-merger notification and advance ruling certificates, \$18,000 for written opinions and \$90,300 for fulfilling requests for CA numbers).