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Consumer and
Corporate Affairs Canada

Consommation
et Corporations Canada

CCAC STRATEGIC PLAN

SEPTEMBER 1988

Canada

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Foreword

This is the third Strategic Plan (formerly called Corporate Plan) of Consumer and Corporate Affairs Canada. The term Strategic Plan has been adopted to emphasize the forward-looking approach of this document.

We have advanced measurably toward understanding how our work contributes to the welfare of Canadians, and we are justifiably proud of it. We have adapted -- we can and must continue to change.

I am increasingly confident that at Consumer and Corporate Affairs Canada we are preparing ourselves to advance toward the 21st century.

A handwritten signature in dark ink, appearing to read 'I. D. Clark'.

I. D. Clark
Deputy Minister

Introduction

Corporate planning is maturing at Consumer and Corporate Affairs Canada. The operational and work planning processes are now well-established in the Department. Last year the process of identifying departmental priorities, and the establishment of a more structured accountability framework came to fruition. That process and framework are depicted graphically at Annex A.

This year's Strategic Plan has two purposes: to review and describe the collective achievement of the ten departmental priorities identified for 1987-88; and to define and explain the six priorities for the coming year.

Because of the progress during the year, the priorities have evolved. Some of the ten have been subsumed under others; some are conceptually new. To be classified as a "departmental priority" an issue must satisfy two criteria: first, it must affect at least two bureaux; second, it must be recognized by the Executive Committee as a matter that will occupy a significant amount of members' time during the year.

There will, of course, always be dozens of important managerial, operational and administrative issues not classified as departmental priorities. These are described in the annual Activity Priority Documents and Work Plans.

This document, together with the 1988 Environment Assessment, is provided to departmental managers as a reference tool for the next round of planning. Progress toward achieving the priorities will be reviewed by Executive Committee at the 1989 Summer Planning Meetings and an updated draft Strategic Plan will be issued for the 1989 Annual Meeting.

Mission Statement

We have rethought the departmental mission statement during the year. It will be used to describe the "face of CCAC" in Estimates and other documents.

CCAC's basic mission is to promote the fair and efficient operation of the marketplace in Canada. This is achieved primarily by:

- . establishing and administering rules and guidelines for business conduct;
- . assuring accurate information for informed consumer decisions;
- . maintaining and encouraging competition among businesses;
- . establishing, administering and enforcing standards for trade in commodities and services;
- . providing protection from product-related hazards; and
- . encouraging the disclosure and diffusion of technological information.

The Policy Environment in 1988

The commitment of the Government of Canada to fiscal restraint, federal-provincial harmonization of program delivery, and increased reliance on the private sector to lead economic development provide the essential context for planning in CCAC. In addition, there are a number of general environmental trends which are likely to influence the work of the Department.

The trend towards economic internationalization is continuing, both through direct investment and the tightening of contractual relations among firms. These contractual relations are facilitating a progressive reorganization of business on a global scale and are making all nations more dependent on trade.

Businesses are coordinating diverse production using advanced information technology. This technology helps to facilitate the transmission of administrative,

sales and technical data needed for de-centralized production. It allows low technology assembly and production work to be moved to nations with low labour costs. This, in turn, pressures nations with high labour costs to rely on domestic subsidies and other protectionist measures.

Businesses are focusing their competitive energies on the production and application of knowledge. They are, therefore, paying increasing attention to database security, the uses of sales data, intellectual property protection and trade secrecy.

The need to develop and to trade knowledge, embodied either in technology or advanced services, is affecting international trading rules and changing the organization of business. Continuing strong pressures are likely for clarification and a greater harmonization of international intellectual property rules. Given that contractual relations among firms are often enhanced by bilateral agreements between nations, the policy debate will continue over whether such agreements make the achievement of multi-lateral agreements more or less difficult.

The global financial market is using new financial instruments to better match the risk preferences of customers. To use such instruments, financial institutions need to be large and sophisticated. The introduction of such instruments has caused a functional merging of many formerly distinct financial markets. Analysts now speak of "financial engineering" by which savers and borrowers from all over the globe have their differing needs recognized and matched. The practical result has been the internationalization of large commercial banks and their entry into securities markets. Stock markets now respond to conditions throughout the world, twenty-four hours of the day, with concurrent demands being placed on information and communications technology. Regulators are facing difficulties in controlling the inter-active effects of new instruments and trading techniques. Most controversial have been programmed trading and index futures, the combination of which has created considerable volatility in markets.

The increased volatility and complexity in these markets have coincided with the strong growth of institutional investment instruments, such as mutual funds and RRSPs. They are accounting for an increasing

share of personal savings, in part because small investors lack the expertise and access to information needed to operate in volatile global financial markets; however, the differing fee structures and operating rules of these instruments have the potential to confuse consumers. It is also clear that the managers of these funds wield enormous influence in the economy.

Distinctive consumer markets are being identified with increasing accuracy. Consequently, products and advertising are being more precisely targeted. Products entail an increasingly confusing matrix of technical, financial, servicing, and personal information. The design life of products is shortening and products are being customized to fit consumer niches. Strong growth is occurring in speciality boutiques which track and can cater to subtle changes in the tastes of customers. Products are being used to fulfil consumers' psychological needs through advertising, corporate sponsorships and the linking of differing product images. Confusion is emerging between products and advertising, with products sponsoring magazines, clothing and entertainment. A complicated marketplace and the need for personal identity are increasing the use of trademarks.

Complication of the marketplace is slowing the introduction of new technologies by small firms and creating the potential for greater concentration of market power. Firms need access to sophisticated marketing and retailing expertise to win consumer attention and confidence in new products. Frequently, consumers prefer the assurance of an established brand name. Consumer apprehension of unknown brands allows large retailers the opportunity to absorb new start-ups and this in turn is reducing incentives for entrepreneurial behaviour. Consumer protection and economic efficiency both require that increasing attention be paid to: manufacturer access to retail networks; reducing consumer confusion; and reducing the anti-competitive consequences of market solutions to the consumer confusion problem.

Review of Achievements on Last Year's Ten Priorities

1. Service, consultations and communications

Service to the Public

- . We continued to provide effective service to the public in the face of increasing demands and tightly constrained resources.
- . Levels of effective output were increased in all sub-activities.
- . Management information was available on all CCAC services provided to the public.

Consultations

- . We initiated a number of new consultative activities:
 - Deputy Minister's consultations with business leaders and academics;
 - Consultative Forum of the Director of Investigation and Research;
 - Consumer Policy Forum (October, 1987);
 - Consumer/Professional Panel;
 - Information sessions with bankruptcy trustees;
 - Canadian Bar Association committee to advise the Director of Corporations;
 - Joint meetings between bankruptcy trustees and National Revenue (Taxation);
 - Joint Executive Committee meetings with other departments (Finance; Industry, Science and Technology; Regulatory Affairs;
 - Intradepartmental Financial Sector Working Group;
 - Consultations with academics on Consumer Policy and Compliance; and
 - Intellectual Property Advisory Committee (IPAC) and sub-committees.

- . With provincial governments:
 - Initiation of four major federal-provincial working groups, with lead responsibility for the working group on the disclosure of the cost of credit; and
 - Regular meetings of Ministers responsible for consumer and corporate affairs, and semi-annual meetings of Deputy Ministers.

Communications

- . A revitalized Communications Branch is providing significantly better service to the Minister and CCAC bureaux.
- . Potentially high-profile issues such as leaded paint in toys, lead-glazed ceramics, exploding pop bottles, flammable children's nightwear, cribs and babywalkers, bank service charges, credit card charges, and corporate mergers were effectively managed.
- . The initial printing of 120,000 copies of the third edition of "Is Your Child Safe?" was entirely distributed within four months of publication.
- . The publication "Consumers and Free Trade -- An Assessment" received ten times greater distribution than any other sectoral trade paper.
- . Credit card issuers (banks, co-ops, gasoline retailers) agreed to distribute two million copies of the "Credit Card Tips" brochure to their customers.

2. Work Environment and Internal Communications

- . The Management Challenge exercise was initiated.
- . The Deputy Minister held two rounds of luncheon meetings with management category personnel.
- . Quarterly Senior Staff meetings and regular Annual Meetings were instituted.

- . The Priority Projects List was made available regularly.
- . The Issues Review Committee was created to air topics of common interest.
- . The 20th Anniversary "Open House" celebrations were well attended.
- . The departmental newsletter (New Rapport) was instituted and won second place in the International Association of Business Communicators (IBAC) "Awards for Excellence" program.
- . The no smoking policy was implemented.
- . Showers were installed at Place du Portage.
- . An accommodations task force developed proposals to ensure that the premises are kept in good repair.
- . An analysis of departmental training needs was completed and recommendations adopted.
- . A temporary assignment proposal is under development.
- . The "Instant Award" was initiated.

3. Compliance Strategy

- . The Department is now recognized as being "second to none" in analyzing compliance-related policy and operational issues.
- . A seminar on compliance was held with leading academics.
- . Major projects, which summarized information on the rationale, operations and effectiveness of five sub-activities and provided a number of suggested improvements, were completed.
- . Five reports on indicators, techniques, strategies and conceptual issues have been prepared and will be circulated in the near future .

4. Productivity and Automation

- . We exceeded revenue targets for 1987-88 by \$6.4 million on a projected revenue base of \$55.8 million.
- . We were the first department to:
 - table the 1987-88 annual report in Parliament;
 - submit the fall update of the MYOP; and
 - process pay revisions.
- . We completed a new Program Evaluation framework.
- . We developed a long-range informatics plan.
- . Major automation projects were completed in Product Safety, Trade Marks, Patents, Bankruptcy, Corporations, and a local area network was developed for the Consumer Bureau.

5. Competition Policy Implementation

- . The Bureau of Competition Policy was reorganized, including the formal establishment of the Mergers Branch, which has within it the pre-notification unit, and the creation of a new Compliance and Coordination Branch to develop and refine the compliance-oriented approach to the implementation of the Act.
- . An extensive program of speaking engagements was pursued by the Director and his senior staff to familiarize the business and legal communities with changes to the competition law. The first in a series of Information Bulletins on the Act and its application was released.
- . The new merger provisions have been effective in stopping anticompetitive mergers while at the same time allowing the vast majority of merger proposals to proceed without issue. Additional physical security measures and conflict of interest guidelines have also been put in place.

- . The strategic use of alternative case resolution instruments has brought about, in appropriate cases, timely and effective remedies with immediate benefits to consumers and the economy (Law Associations) and record fines with a strong deterrent message (Business Forms).

6. Legislative Implementation

- . Amended regulations were introduced under:
 - Canada Business Corporations Act;
 - Weights and Measures Act;
 - Electricity and Gas Inspection Act;
 - Hazardous Products Act;
 - Consumer Packaging and Labelling Act;
 - Bankruptcy Act;
 - Industrial Design Act; and
 - Tax Rebate Discounting Act.
- . The Hazardous Materials Information Review Commission was created.
- . The Copyright Board was approved by Parliament.
- . The Patented Medicine Prices Review Board was created and several other changes to the Patent Act were implemented.

7. Legislative Renewal

- . Patent Act amendments were passed by Parliament.
- . The Workplace Hazardous Materials Information System legislation was passed by Parliament after extensive federal/provincial government-industry-labour negotiations.
- . Copyright Act (Phase I) amendments were passed by Parliament.
- . The Lobbyists' Registration Act was passed by Parliament.
- . The Postal Services Review Act received First Reading in the House.

- . Work is progressing on proposals for amendments to:
 - Bankruptcy Act;
 - Canada Business Corporations Act;
 - Copyright Act (Phase II);
 - Hazardous Products Act; and
 - Protection of Integrated Circuits Act.

8. Consumer Profile

- . The three priorities of child safety, credit and nutrition have been advanced.
- . The Minister chaired the first Consumer Policy Forum.
- . A consumer policy seminar with academics was held.
- . Drafts of the "Principles of the Marketplace" and a Consumer Policy Framework were completed.
- . A report on the consumer benefits of the Free Trade Agreement was published and widely distributed.
- . A discussion paper and quarterly information releases on credit card interest charges were issued.
- . A consumer advocacy role was undertaken on the issue of bank service charges and a comparative table of basic account charges was issued.
- . Work is underway on an Electronic Funds Transfer/Point of Sale policy paper and a credit card fraud prevention brochure.

9. Intellectual Property and Innovation

- . A policy framework paper was completed and endorsed interdepartmentally .
- . The Intellectual Property Advisory Committee (IPAC) was established.

- . CCAC is playing a major role in the Uruguay Round of the GATT negotiations in Trade Related Intellectual Property Matters - TRIPS.
- . The Patent Information Exploitation Program is forging closer links with the Department of Industry, Science and Technology.

10. Other Government Priorities

- . We worked closely with the Trade Negotiations Office in areas of anti-trust, intellectual property and standards during negotiations with the U.S. on the Free Trade Agreement.
- . CCAC was the first department to complete a sectoral research study on the implications of bilateral free trade.
- . Development work was conducted for the Procurement Review Board.
- . Responses to the Nielsen Task Force recommendations were completed for Weights and Measures and Electricity and Gas.
- . An electricity meter manufacturer (Sangamo) and a utility company (Union Gas) were accredited to conduct meter verifications.
- . We provided background information for the Standing Committee on Consumer and Corporate Affairs in its studies of food irradiation, corporate concentration and misleading advertising.
- . We supported development assistance projects in the Caribbean region by providing advice on the exploitation of technological information in patent files.

New Priorities -- September 1988 to August 1989

After review of the progress made under the ten departmental priorities identified in September 1987, and taking account of the environmental outlook summarized above, the following six departmental priorities were identified for the period September 1988 to August 1989. These six priorities subsume or replace the previous ten.

1. Management Challenge

Context

Continuing restraint, limited opportunities for advancement, increasing demand for departmental services and an accelerating pace of social, economic, technological, and environmental change characterize the current environment. We must learn how to "manage the gap" between the demand for our services and the resources we have at our disposal.

Priority Initiatives

A variety of initiatives and approaches will be undertaken to:

- . provide clearer goal definition for managers;
- . foster commitment and involvement;
- . increase internal communication;
- . create trust and build teams;
- . facilitate delegation and accountability;
- . encourage innovation;
- . reduce barriers;
- . improve time management;
- . encourage the acceptance of departmental and public service values;
- . provide exposure to a range of ideas; and
- . reward exemplary performance.

2. Implementation of Legislation

Context

Initiatives at Consumer and Corporate Affairs to modernize our legislation have resulted in new administrative and operational requirements to execute the intent of Parliament.

Priority Initiatives

To bring into being the intent of:

- . the Competition Act;
- . the Patent Act;
- . the Copyright Act (Phase I);
- . the Workplace Hazardous Materials Information System; and
- . Lobbyists' Registration Act.

3. Legislative and Regulatory Renewal

Context

It is the responsibility of the Department to put forward, for consideration and with force, ideas to make live the mission statement. Our laws are outdated, as are many of our regulations.

Priority Initiatives

To anticipate legislative priorities, in the context of the changing environment; to consider regulatory initiatives in light of the changing balance of responsibilities among consumers, business and governments; and to deliver the regulatory changes approved in the Government's Annual Regulatory Plan.

4. Communications

Context

Communications planning and programs for the Department must reach a diverse group of constituents and cover a wide range of subject matter. This diversity poses exciting challenges. It is not easy, nor even desirable, for CCAC to have a single profile with the Canadian public. The specialized nature of many statutes for which we are responsible often means they are of principal interest to a narrow sector of marketplace players, although each has a broad impact on the health of the marketplace. Consequently, the successes which the Department achieves in adapting framework legislation and regulations to the changes in the marketplace often receive little attention from the public at large.

At the same time, the Department must be prepared to respond promptly to unpredictable, high-profile, life threatening incidents, including product safety and health hazards.

Priority Initiatives

To develop and deliver three or four basic messages which convey the functions and mission of the Department.

5. Consumer Orientation

Context

CCAC is perceived by some as having placed insufficient emphasis on the interests of consumers, in favour of those of business, in recent years. The Department recognizes that there is a need, in consultation with the Minister, constantly to reassess how the responsibilities of consumers, business and governments interact in a rapidly changing world.

Priority Initiatives

To develop and implement an action plan based on the Principles of the Marketplace and the Consumer Policy Framework.

6. Adaptation to Internationalization of Markets

Context

The globalization of the world economy and the trend toward more bilateral and multilateral trade arrangements are causing spatial integration of retail markets and production facilities. This creates a demand for more international harmonization of trademark and competition law, product and technical standards, labelling requirements and dispute settlement mechanisms. It also is creating a demand from business for certainty about marketplace rules governing competitive practices, mergers, licensing and tax arrangements.

Priority Initiatives

To re-examine departmental framework legislation, regulations and administrative policies in light of economic globalization and new, advancing technologies; and in that respect, to take proactive account, where possible and appropriate, of changes impacting upon trade policy, intellectual property policy, competition policy and the standards of compatibility.

The CCAC Planning and Accountability Framework

The CCAC Planning and Accountability Framework comprises the annual priority setting process, the selection and tracking of priority projects and the activity and sub-activity level work plans and reports that cover day-to-day operations.

The chart at Annex A lays out the principal meetings and reports which together provide the basic elements of the departmental planning and accountability framework for the next two years. The framework emphasizes the linkage between the annual priority setting process and the daily work of departmental managers. Detailed activity level planning and control processes are not included.

The planning and accountability cycle begins with the Summer Planning meetings of the Executive Committee which serve to refine the list of CCAC priorities and priority projects, and to adjust resource allocations for the coming fiscal year. Key inputs to these meetings are: discussions with the Minister on what he and the Government would like to achieve in the planning period; the Environmental Assessment (prepared by the Policy Coordination Bureau); and the Activity Priority Documents (prepared by each Activity Centre with a summary Situation Report prepared by Policy Coordination). The point of departure is the existing planning base: the Work Plans for the current year; the current Strategic Plan; and the list of projects underway.

The Summer Planning meetings lead directly to four planning documents: the draft CCAC Strategic Plan (which reviews the previous year's Departmental Priorities, sets out the Departmental Priorities for the coming period and articulates the initiatives envisaged to pursue the priorities); a proposal for the new Priority Projects List (which enumerates the major projects to be undertaken in support of the Departmental Priorities, identifies the senior officers responsible, and fixes milestone dates), the Multi-year Operational Plan and Main Estimates Submission to the Treasury Board (which identifies the overall resource requirements for the planning period); and the Multi-year Human Resources Plan. The first two documents are discussed at the CCAC Annual Meeting (the September meeting of the most senior hundred or so managers, mostly SM and EX) and are finalized and distributed after the meeting.

Main Estimates resources and operational realities, along with the Departmental Priorities and the Priority Projects List, are the principal inputs to the Work Plans prepared by each Activity for the coming year. Activity level summary work plans and Quarterly Accountability Reports are the main accountability documents for commitments listed in the Priority Projects List and for planned operations throughout the Department. Individual officer's Annual Objectives should be directly linked to the Work Plans and to the commitments listed in the Timetable, where applicable. The annual Objectives section of the current year Performance Appraisal may require revision after the discussion of priorities and projects at the September Annual Meeting. Midyear Objectives Review Meetings are encouraged and may result in amendments to objectives for those officers involved in priority projects, to reflect agreed to changes.

The Multi-year Human Resources Plan which is submitted to the Treasury Board in mid-January is intended to identify strategies to address the long term human resource requirements of the Department as extracted from the MYOP and to facilitate career and succession planning.

Progress on priority projects and operational targets is the major focus of the Quarterly Accountability Reports from each Activity. The Departmental Summary of Accountability Reports, prepared by Finance Branch, and the quarterly updates of the Priority Projects List coordinated by the Departmental Secretariat, are presented at the Senior Staff Meetings (meetings of the most senior forty or so managers, roughly director level and above, held every three months following the Annual Meeting). Progress on the priority projects and departmental resource utilization are reviewed on a monthly basis by the Activity Head and the Deputy Minister using an exception-reporting Monthly Projects Report on deviations from the Priority Projects List from the Departmental Secretariat and the Monthly Financial Report from the Director of Finance. The Executive Committee and the Activity Head are kept apprised, on a monthly basis, of progress on specific Audits and Program Evaluations that are undertaken as part of the ongoing cycle or commissioned to look at specific issues brought to the Executive Committee's attention during the year. The Human Resources Management Committee meets in the Spring to review performance appraisals for all senior managers (EX/SM Review) and on an ad-hoc basis to consider important human resource issues.

Planning Dates for 1988-1989

. Senior Staff Meetings:

December	8, 1988	Ottawa
March	23, 1989	Ottawa
June	8, 1989	Montreal
December	7, 1989	Toronto
March	8, 1990	Ottawa

. CCAC Annual Meeting

September	7- 8, 1989	Mont-Ste-Marie, Quebec
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. Human Resources Management Committee (EX/SM
Performance Review)

May	24-25, 1989	(afternoons only)
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. Summer Planning Meetings (Executive Committee)

August	22-23, 1989
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CCAC PLANNING AND ACCOUNTABILITY FRAMEWORK, 1988-90

Rev. 20-09-88

1988						1989												1990					
July	August	Sept	Oct.	Nov.	Dec.	Jan.	Feb	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June



