Summary of Corporate Plan

2011-2012 to 2015-2016

Summary of Operating Budget

2011-2012

Summary of Capital Budget

2011-2012

Standards Council of Canada
Conseil canadien des normes

Standards **experts**. Accreditation **solutions**.
Expert en normalisation. **Solutions** d'accréditation.

Canada

SCC Corporate Plan Summary 2011-12 to 2015-2016

Our Mandate: To promote efficient and effective voluntary standardization in Canada, where standardization is not expressly provided for by law.

Our Mission: To lead and facilitate the development and use of national and international standards and accreditation services in order to enhance Canada's competitiveness and well-being.

Our Vision: Improve Canadians' quality of life through leadership of Canada's national standards system.

What is standards development?

Standards describe the important features of a product, service or system. There are thousands of standards in use around the world that cover everything from the size of the simplest screw thread to the most complex information technology network. Standards provide technical information for business and serve to protect the health and safety of Canadians. Standards are developed through consensus by committees of affected stakeholders that may include representatives from industry, governments, academia and the public interest.

What is conformity assessment?

Conformity assessment is a method to determine whether products, services, processes, systems or persons, meet specified requirements. Conformity assessment can involve certification, inspection and/or accreditation of the testing of a product or system. It ensures that products and services are meeting required quality, safety and environmental standards to safeguard the health and safety of Canadians.

What is standardization?

Standardization refers to both standards development and conformity assessment activities.

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Message from SCC's Chairman

For many years, I have had the privilege of working alongside Canadian experts in the field of standardization whether it is at the national, regional or international level. As a result of this experience, I know first hand, the fundamental role they play in safeguarding the health and safety of Canadians and in driving Canadian competitiveness and innovation. Their contributions to public policy priorities are not often given the full recognition they deserve. Advances in areas such as forestry and consumer product safety would not be where they are today, if it were not for the contributions of Canadians. Cultivating Canadian technical expertise in standardization is an important economic strategy that benefits the health and well-being of citizens of this country. I am pleased to present the Standards Council of Canada (SCC)'s Corporate Plan. The strategies outlined in this plan focus on leveraging the potential of Canada's standardization experts.

Coming from the steel industry, I understand the significance of developing standards to meet Canadian conditions. Steel used in Canada for buildings and bridges and other infrastructure needs to meet standards that are able to withstand our Canadian cold weather conditions. The strategy laid out in this Corporate Plan addresses the rationale for a more strategic approach to participation so that international standards meet our Canadian conditions.

In this era of economic uncertainty, adopting a more targeted approach to participation in priority areas will enable Canada to maximize its potential. Being influential in areas such as electric vehicles and fuels infrastructure will help steer Canadian competitiveness and innovation. Developing standards to suit Canadian conditions and meet international requirements in these areas will permit Canadian manufacturers to compete more easily for markets and investment internationally. Canadian expertise at international standards tables will allow Canadian business to participate alongside large global players. The effect of this participation will be better tools for Canadian manufacturers, acceptability of Canadian products and more jobs for Canadians.

As one of the most trade-dependent nations in the G8, Canada's prosperity depends on international trade. Standards and harmonized conformity assessment practices make this possible through compatibility of products and services with international requirements. SCC, together with its Canadian partners will help create the right opportunities for Canadian standardization experts. Influencing regional and international standards that can be adapted to Canadian circumstances and break through international trade barriers will strengthen Canada's economy. Organizations which invest in standardization may be able to differentiate their product or service and thereby acquire a competitive advantage.

I am extremely proud of the leadership that the Standards Council of Canada has taken to develop a plan that focuses on priority areas vital to our economy. This plan acknowledges that to achieve this strategic goal, increased collaboration with our national partners is not only necessary but dependent on the successful implementation of this plan. Therefore, I encourage Canadian governments and business and industry to invest in standardization and to partner with SCC. Together, we can strengthen innovation and productivity in Canada.

Message from SCC's Executive Director

Canada's standardization network holds great promise to further increase Canada's competitiveness and to safeguard the health and safety of its citizens. Although not visible to the average Canadian, standards and conformity assessment activities contribute to our national economic growth. They provide a level playing field for industry and help build capacity in key sectors of the economy. Standardization activities also play a pivotal role in protecting the health and safety of Canadians in a wide number of sectors including food and consumer products, infrastructure and the workplace. Standards and conformity assessment are in essence the pillars on which society is based. This is why Canada needs to maintain a world-class standardization network to compete globally, grow its economy and protect its citizens.

Consequently, Standards Council of Canada continues efforts to demonstrate the additional investment of time and resources urgently needed for Canadian standardization activities. I am committed to raising awareness about the value of standardization to key decision makers in all sectors in Canada to ensure a stronger investment is made to this fundamental area of our economy and society. There are hundreds of organizations and thousands of people in this country working on standardization activities, primarily on a voluntary basis. Standards Council of Canada will continue to support our Canadian standardization experts and enable them to represent Canada effectively both regionally and internationally.

In FY 2011-12, we will increase our collaboration with federal, provincial and territorial governments. We will work more closely with Canada's four SCC-accredited standards development organizations (SDOs). And together, we will identify new priority areas where Canada should be involved regionally and internationally. Canada's influence may be strengthened in areas such as: carbon capture and storage, food safety, North American smart grid, leading edge medical devices and nanotechnology. SCC's goal is to establish a new model of stakeholder engagement that is more inclusive and one that will extend to a broader scope of affected stakeholders.

Over the years, Canada has built influence and a solid reputation at the regional and international level. There are countless examples where Canada is recognized as a world leader in standardization. The International Organization for Standardization and the International Electrotechnical Commission have, for example, publicly recognized Canada's leading contributions in the development of the ISO 14000 family of standards on environmental management systems. We can be even more influential by dedicating our resources strategically and by working together to strengthen Canada's standardization network. This is the kind of collective effort we need to maintain influence for Canada at the regional and international level.

Our conformity assessment programs continue to protect the health and safety of Canadians. We are strengthening our customer focus to provide more customized type services such as corporate and joint-visit accreditations.

I am confident that the staff of the Standards Council of Canada is ready for the challenges outlined in this plan. Over the last year, I have witnessed first hand their sincere dedication to advancing standardization practices in this country. I am as

impressed by the dedication and innovation of Canadian experts in standardization activities. Together we can activate Canada's potential to do even more.

1. Executive Summary

This five-year Corporate Plan lays out a flexible and responsive strategy to an ever changing environment. The world of standards and conformity assessment is seemingly complex but the value that standardization activities bring to every level of Canada's economy is crucial for a stronger Canada. Standards Council of Canada, in this plan, has outlined its strategic priorities and objectives to ensure that standardization activities in Canada address changing needs and future opportunities.

Since 2006, SCC has enhanced its outreach strategy to demonstrate further the value of standardization activities to key decision makers in Canada. Standards are a key enabler of trade and commerce and are relied upon by governments as a policy instrument of choice to protect the health, safety and security of Canadians in food and consumer products, infrastructure and the workplace. SCC, for example, since 2008, has been working with Health Canada's Consumer Product Safety bureau under a Memorandum of Agreement (MoA), to identify opportunities to address consumer product safety. In 2010-11, SCC supported the Government of Canada's work on Bill C-6 related to product safety. A key component to the implementation of the new *Canadian Consumer Product Safety Act* (CCPSA) will feature a standards and certification-based strategy developed by SCC.

International standards and conformity assessment are the invisible infrastructure on which trade and trade agreements are based. The International Organization for Standardization (ISO) has stated that overall standards have an impact on 80% of the world commodity trade[1]. Over the last several years, SCC has and continues to support the Department of Foreign Affairs and International Trade Canada (DFAIT) with standardization input for a number of free trade agreements. In particular, SCC has provided significant support for the *Canada European-Union: Comprehensive Economic and Trade Agreement* (CETA). SCC's technical advice and expertise ensures that regulations, standards, testing and certification procedures do not create unnecessary obstacles for trade. SCC's input will result in identifying potential sectors in which standardization could be applied to maximize Canada's trade potential.

These activities, along with several others, undertaken by the Standards Council of Canada are directly aligned with those of the Government. With jobs and growth remaining the top priority of the Government, the work of the Standards Council of Canada clearly complements this objective. The following table highlights some of SCC's key initiatives and activities that are aligned to those of the Government as outlined in the *Speech from the Throne* on March 3rd, 2010.

> *In an innovation-driven and highly competitive economy, companies increase sales and employ more people when their products or services meet or exceed international standards.*

[1] International Organization for Standardization (ISO), Today's State-of-the-Art Global Solutions for CEOs. (Geneva, International Organization for Standardization, 2009) p.5.

Federal Government Policy Priorities*	Link to SCC Activities and Initiatives
Succeeding in the global economy	• Participation in international standardization activities is an important export strategy for Canada. Canadian technology will be more readily accepted worldwide with a stronger investment in standardization. To most efficiently use resources, SCC will be more selective in its approach to standardization activities. Its focus will be in areas that are of vital importance to Canada's economy. This will support Canadian business and give them a competitive advantage in the global marketplace. • SCC maintains online information resources such as Export Alert! RegWatch, Standards Alert! to help Canadian business and industry to successfully export their products and to know about changing product requirements in global markets.
Encouraging investment and trade to create jobs and growth	• SCC provides standardization input into free trade agreements to facilitate trade and market access for Canadian business and industry. Examples of SCC's recent technical and coordinating support for free trade agreements include: the European Union, Panama, Colombia, and Jordan. Opportunities to support future negotiations of free trade agreements include, for example: the European-Union, India, and the Caribbean community. • SCC provides policy support and technical advice to government and industry in support of WTO/TBT technical barriers to trade committee participation. • SCC pursues memorandums of understanding (MOUs) with emerging economies such as Mongolia. In 2010, SCC signed an MOU with the Mongolian Agency for Standardization and Metrology and renewed its Agreement on Cooperation with the Standardization Administration of China (SAC).
Fuelling ingenuity and innovation	• The Government priority areas identified in SCC's *Call to Action* specifically focus on innovation including: cloud computing, leading edge medical devices and nanotechnology. • SCC in collaboration with Natural Resource Canada's CanmetEnergy has established a national Smart Grid Technology and Standards Task Force. Together, they will advance a standards roadmap for this sector in North America. • Around the world, empirical studies show that standards and conformity assessment activities are drivers of economic growth and innovation.
Investing in clean energy technology	• SCC's accreditation program for assessing the competency of organizations verifying greenhouse gas (GHG) emissions supports the Government of Canada's sustainability agenda, which includes initiatives to reduce greenhouse gas emissions. • SCC provides Canadian leadership within national, international and regional Committees e.g. requirements for greenhouse gas validation and verification bodies, and ISO technical committee on environmental management and hydrogen technologies. • SCC is formally recognized by the United States Environmental Protection Agency (EPA) as an accreditation body for laboratories that perform product testing in support of the ENERGY STAR program. The ENERGY STAR program, which is used by many consumers, is becoming globally recognized as a trusted symbol of environmental protection. This not only supports Canada's energy efficiency goals but adds tremendous value for SCC's laboratory clients.
Strengthening Canada's food safety system and supporting Canada's consumer product safety legislation	• SCC's food safety management systems accreditation program provides a framework for effectively managing the safety of the food supply chain. • SCC accredits certification bodies that assess and certify food safety management systems to the international standard ISO 22000. • SCC in cooperation with Health Canada is exploring opportunities and partners to support product safety legislation. • SCC collaborates with the Canadian National Committee of the International Electrotechnical Commission (CNC/IEC) and the National Public Safety Advisory Committee (NPSAC). As the secretariat of this committee, SCC and stakeholders work on various public health and safety standardization-related issues.
***Note:** Speech from the Throne, March 3rd, 2010. *A Stronger Canada. A Stronger Economy. Now and for the Future.*	

To leverage the potential of increased Canadian standardization activities, SCC will focus on building national partnerships particularly with Canada's four SCC-accredited standards development organizations. SCC will evolve its model of stakeholder engagement to strengthen standardization activities and reach a broader group of affected stakeholders. Governments, organizations, and academics across the country need to be involved to ensure that Canada's public interests are best being served through its standardization activities. SCC will coordinate standardization activities with these partners to maximize the social and economic benefits for Canada. This approach will help in maintaining Canada's influence and reputation in the field of standardization.

To ensure broader participation by national stakeholders, SCC will endeavour to raise awareness and demonstrate the value of standardization to key Canadian decision-makers and business leaders. Offering complementary services such as specialized training and developing standards roadmaps for select clients will help to engage stakeholders further in standardization activities and at the same time meet their needs and priorities.

In 2010, a roadmap for natural gas in transportation was initiated through a collaborative effort by Natural Resources Canada and the Canadian Natural Gas Vehicle Alliance and other stakeholders. Standards Council of Canada prepared a matrix for this initiative that identified all existing codes and standards and highlighted gaps for this sector of the economy. This work will help to ensure that gaps are addressed and that a lack of standards does not create a barrier to trade for Canada in this area.

SCC will continue to facilitate the participation of Canadian standardization experts in international and regional standardization bodies. Canadian influence in resulting standards helps business and industry to penetrate global markets and governments to meet public policy priorities. SCC and its partners will also focus on aligning participation to identified priority areas that are linked to those of the Government of Canada.

SCC's conformity assessment programs continue to offer stakeholders practical and cost effective solutions. In FY 2011-12, SCC will focus on raising SCC's profile as the accreditor of choice in Canada, through relationship building. SCC will develop its accreditation services to meet the demands of the marketplace and strengthen its client focus.

Exploring ways to improve operational efficiencies and rationalizing costs will be a priority for the entire organization. Developing a formal human resources strategy as well as tactics to maintain participation of Canadian standardization experts is essential for SCC's long-term sustainability.

In FY 2011-12, SCC will focus on the strategic priorities:

1. Demonstrate the value of standardization;
2. Deliver value-added standardization solutions;
3. Participate strategically in standards and conformity assessment bodies nationally, regionally and internationally;
4. Grow the conformity assessment program; and
5. Foster organizational excellence.

2. Introduction

The Standards Council of Canada (SCC)'s five-year Corporate Plan sets out a vision for a stronger, more responsive, progressive and flexible approach to coordinating standardization activities in Canada. *A Stronger Canada*[1] needs a stronger standardization network for *a Stronger Economy*[2].

SCC's mandate is clear—to ensure that standardization activities in Canada are coordinated efficiently and effectively. SCC has fulfilled this mandate for over forty years. Over the past decade, however, available funding for standardization activities in Canada has declined. With governments and companies facing sustained economic pressure, investment in standardization activities has decreased. As a result, Canada is lagging in the area of standardization compared to other industrialized countries—to the detriment of Canadian competitiveness. SCC wants to reverse this trend and secure Canada's participation in standards and conformity assessment activities that focus on the right issues, at the right time by the right people. Ultimately, SCC's long-term goal is to achieve the broader goals of enhancing the health and safety of Canadians and increasing Canadian competitiveness.

Standards and conformity assessment practices satisfy trade requirements through international government trade agreements such as the WTO, which harmonize trade practices and ensure the safety and quality of products and services.

Shifting SCC's strategic direction

To most efficiently utilize resources, SCC's strategic direction is shifting to focus on the areas where it can bring the greatest value to Canadians. A more focused approach in targeted areas will improve priority-setting and ensure that standardization activities remain efficient and effective. At the heart of this approach is increased collaboration with new and existing partners. This will require SCC to evolve its current model of stakeholder engagement and open it up to a broader scope of affected stakeholders.

First and foremost, SCC continues to leverage its relationship with Canada's four SCC-accredited standards development organizations (SDOs)[3] to establish an enhanced strategic partnership aligned to priority areas that are relevant to Government and industry. This shift in how Canada positions itself to participate regionally and internationally will ensure that resources are invested in priority areas that will achieve the greatest social and economic benefit for Canada. Other strategic partnerships include SCC's partnership with the National Research Council.

The culmination of this collaborative effort with the SDOs was realized in the development of a *Call to Action* on standardization activities to support Government of Canada priorities. The *Call to Action* focuses on 11 targeted areas under the four broader categories of: energy and the environment, health and life sciences, infrastructure and

[1] Speech from the Throne. March 3, 2010
[2] Ibid
[3] The four SCC-accredited standards development organizations are: Bureau de Normalisation du Québec, The Canadian General Standards Board, the Canadian Standards Association, and the Underwriters Laboratories of Canada.

innovation. This strategic approach to strengthening standardization activities in Canada is changing the way in which SCC connects and engages stakeholders in the achievement of its mandate objectives. Given the increased demand for standardization solutions, SCC will need to develop a prioritization mechanism to optimally deliver on all of its stakeholders' needs and priorities. This targeted approach will address key needs in a limited number of priority areas.

As Canada's coordinator of standardization activities, SCC takes a leadership role in advancing standardization activities in Canada through: coordinating people and organizations to participate in committee work; promoting the awareness of the value of standards to key decision-makers; leading policy positions on standardization issues; facilitating the participation of experts; and accrediting conformity assessment organizations to international standards.

Coordinating Canada's standardization activities

In its primary role as **coordinator** of Canada's standardization activities, SCC strives to be the focal point for governments, industry and consumers to find information about standards and conformity assessment practices in Canada and around the world. Currently, SCC needs an improved business model to better coordinate standardization activities to best maximize the potential of Canadian standardization experts and provide value for participation.

Standards are a key component of Canadians' economic and social well-being—they provide business and industry with key building blocks to success and facilitate the flow of goods and services both nationally and internationally.

In FY 2011-12, SCC will focus on building relationships with national partners, both in industry and government, to encourage greater participation in standardization activities. Raising awareness by communicating effectively the value proposition will encourage greater support and participation.

Promoting the value of standardization

As **promoter** of the value of standards and conformity assessment activities, SCC continues to make strides in raising awareness among key decision-makers in governments and industry. Standards and conformity assessment activities contribute to Canada's competitiveness and safeguard the health and safety of its citizens. Not enough Canadian governments, businesses and emerging industries are aware of the relevance of this value proposition. It is SCC's role to ensure that more government, industry and consumer decision makers know about the real competitive advantage that standardization activities provide to nations, and their respective organizations.

Standards protect consumers by ensuring that human health is safeguarded with proper handling, packaging and labeling. They protect our children from unsafe products such as toys with lead.

SCC will continue to focus on promoting the value of standardization, through strategic partnerships and increased collaboration and outreach efforts to the right stakeholders.

SCC's goal is to promote increased use of standardization practices at all levels of government and within industry. Currently, standardization is now addressing only a portion of the needs in Canada. Through a more focused approach, SCC will endeavour to serve the needs and priorities of Canadians by focusing on priority areas that enhance the health and safety of Canadians and facilitate broader market access of Canadian products and services.

Leading Canada on policy-related standardization issues

As a **policy leader** and principal adviser on national and international standardization issues, SCC's work supports Government priorities and intersects across several Government departments including: Industry Canada, Department of Foreign Affairs and International Trade Canada, Health Canada, Environment Canada, Natural Resources Canada, Canadian Food Inspection Agency and several others. Many of these departmental programs hinge on the use of standards which are referenced in their departmental legislation.

SCC has introduced innovative solutions that are better aligned with stakeholders' policy requirements, including: standards roadmaps—effectively standardization strategies that support targeted areas for Canada and specialized training on a broad range of standardization and conformity assessment topics. These tools will in turn help new stakeholders to become more effective in the standardization process—thereby strengthening the overall network of standardization experts in Canada.

SCC provides leadership on standardization issues to both government and industry stakeholders in order to help advance their programs and services. In the end, it is the Canadian consumer that benefits. This includes standardization expertise for trade agreements and other government of Canada initiatives such as the *Cabinet Directive on Streamlining Regulation*. In addition, SCC will continue to assist emerging and developing countries with standards related capacity building projects. These projects will be of mutual benefit to Canada where future trade opportunities exist.

Facilitating Canada's network of standardization experts

Developing better communication mechanisms for stakeholders will ensure SCC has broader access to a wide variety of advice, information and viewpoints prior to making policy decisions. As a **facilitator**, SCC brings organizations and subject matter experts together to work on standardization issues for the benefit of Canada.

Canada's standardization experts determine Canada's official position at various international standardization bodies.

SCC recruits individuals and organizations to participate in standards activities on Canada's behalf, in organizations such as: the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), two of the world's largest voluntary standardization bodies. SCC in collaboration with standards development organizations offers orientation, training and recognition for Canadian experts. Participation in these organizations provides Canadian governments and industry with a competitive advantage.

In FY 2011-12, SCC will continue to identify new partners, approaches and areas where standardization can provide solutions and be complementary. To do this, SCC needs greater access to standardization experts in Canada and needs to facilitate greater linkages with stakeholders and experts who may not yet be known to SCC. As such, SCC will explore more innovative ways to connect with stakeholders and other business models of facilitating Canada's network of standardization experts.

Enhancing cooperation will expand the scope of standardization experts, improve efficiencies and costs and facilitate increased collaboration among governments, industry experts, academics and consumers. Through a more flexible network, a more robust stakeholder base of Canadian experts may be retained—thus, giving SCC the opportunity to recruit the right Canadian expert who can negotiate on Canada's behalf the right position at national, regional and international standards committee meetings.

Strengthening Canada's voice in developing international standards is an important trade strategy to be pursued. Inclusion of Canadian technology and know-how into resulting international standardization policies provides Canada with a competitive advantage. As such, Canada must more forcefully advance its interests in the context of countries such as China which are aggressively shaping standards in their own interests. In mature sectors like auto and information and telecommunications, Canadian companies need expert assistance at the forefront of international standards development to maintain and expand global market access.

Accrediting organizations to international standards

SCC is Canada's national accreditation body. A leader in Canada and around the world, SCC's accreditation services bring a value-added component to its clients, not offered by its competitors. SCC has established a unique reputation in Canada as a mandated-government accreditation body with the capability of offering in-depth technical expertise to its customers. In FY 2011-12, SCC will focus on raising SCC's profile as the accreditor of choice in Canada, through relationship building. SCC will expand its accreditation services to meet the demands of the marketplace and strengthen its client focus by sharing best practices as well as emerging global trends in conformity assessment, with its clients.

In its role as **accreditor**, SCC accredits testing and calibration laboratories, organizations that develop standards, as well as those that verify the conformity of products, systems and services to specific standards. SCC accreditation provides formal recognition of an organization's competence to perform conformity assessments. Accreditation by the SCC, whose programs are based on internationally recognized guides and standards, provides the assurance that an organization is competent to carry out specific functions relating to the products or services it delivers.

SCC's accreditation services are directly linked to the health and safety of Canadians and the Government of Canada's agenda of safeguarding Canadians, protecting the environment and of helping Canadian small and medium sized businesses to achieve a competitive advantage in the global marketplace.

Improving efficiencies

SCC will continue to focus on improving efficiencies. Updating SCC's quality management system to the principles of ISO 9001: 2008 will be a priority for SCC. This vision of a stronger, more targeted approach to standardization activities in Canada needs to be supported by a strong workforce. SCC will continue to recruit, train, and retain the most qualified staff to coordinate standardization activities. A formal human resources strategy will articulate a human resources vision for the organization that effectively supports the priorities and goals of the organization. Maintaining a roster of international standardization experts to support Canada's efforts in becoming *standards makers* in areas of strategic importance to Canada will be an ongoing strategy to strengthen standardization activities nationally.

For more than 40 years, Canada's standardization network has helped to ensure the safety and performance of products and services

Focusing on strategy

As a **strategy-focused organization**, SCC resources need to be fully aligned to the organization's overall strategic direction. Using a balanced scorecard approach, SCC's performance will be directly linked to its strategy ensuring that it delivers effectively on its mandated objectives.

3. Corporate Profile

The Standards Council of Canada (SCC) is a federal Crown corporation. Its mandate is set out in its governing legislation, the *Standards Council of Canada Act*.

3.1 Mandate

The mandate of SCC is to promote efficient and effective voluntary standardization in Canada, where the law does not expressly provide for standardization activities. In particular, SCC has a mandate to:

- promote the participation of Canadians in voluntary standards activities;
- promote public- and private-sector cooperation in voluntary standardization in Canada;
- coordinate and oversee the efforts of people and organizations involved in the National Standards System;
- foster quality, performance and technological innovation in Canadian goods and services through standards-related activities; and
- develop standards-related strategies and long-term objectives to advance the national economy; support sustainable development; benefit the health, safety and welfare of workers and the public; assist and protect consumers; facilitate domestic and international trade; and further international cooperation in relation to standardization.

3.2 Structure

Governing Council

SCC's governing Council is appointed by the federal government and reports to Parliament through the Minister of Industry. The Council is comprised of 13 members who are responsible for overseeing the strategic direction of the organization. The Council is also responsible for ensuring the fulfillment of SCC's mandate, and providing guidance on governance matters.

In addition, the Council works closely with SCC's management in the development of policy items and relevant strategic plans.

SCC's work includes: accreditation of standards development and conformity assessment organizations; approval of standards submitted as National Standards of Canada; adoption of relevant policies to support SCC programs and services; and approval of budgets and audited financial statements.

Committees of Council

The governing Council's committees include the Audit and Corporate Governance Committees, which play an important role in supporting governance approaches.

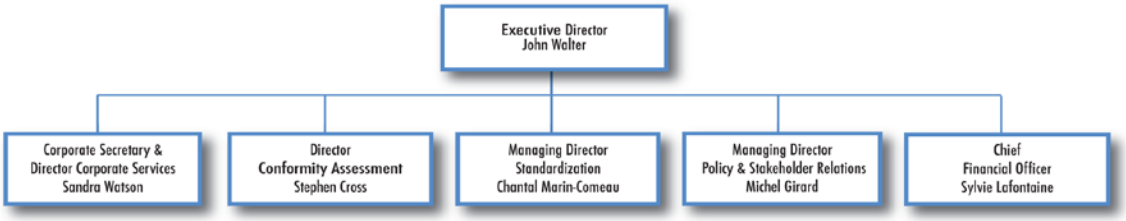
Advisory Committees

The Provincial-Territorial Advisory Committee (PTAC) and the Standards Development Organizations Advisory Committee (SDOAC) — are established in the *Standards Council of Canada Act.* PTAC promotes cooperation and communication between the provinces, the territories and the Standards Council, and provincial and territorial participation in Canadian standardization activities. SDOAC promotes cooperation and communications between the Standards Council and the standards development organizations.

SCC is currently undergoing a restructuring of its advisory committees to ensure that it is leveraging the expertise of all Canadian stakeholders. As a result of this restructuring a new model of stakeholder engagement is likely to emerge.

3.3 Staff and Activities

The strategies and policies established by the Standards Council of Canada's governing Council are implemented by a staff of approximately 84. SCC's work is led by SCC's Executive Director, John Walter who began his term in September, 2009. The executive branch oversees SCC's human resources activities. The executive director is supported by a senior management team as shown below:



Conformity Assessment

Conformity assessment is the practice of determining whether a product, service or system meets the requirements of a particular standard. SCC operates accreditation programs in the following fields:

- testing and calibration laboratories;
- greenhouse gas validators and verifiers;
- inspection bodies;
- management systems certification bodies;
- personnel certification bodies,
- product and service certification bodies; and
- proficiency testing providers.

In addition, SCC offers a recognition program for the Organization for Economic Co-operation and Development (OECD)'s Good Laboratory Practice (GLP) initiative.

SCC is also a member of several organizations that have mutual recognition agreements in place to assist with international acceptance of conformity assessment results, as part of greater efforts to form a global accreditation system and consistent with the goal of *"one standard, one test—accepted everywhere".* These organizations include the International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC), the Asia Pacific Laboratory Accreditation Cooperation (APLAC), the InterAmerican Accreditation Cooperation (IAAC), and the Pacific Accreditation Cooperation (PAC).

Standardization

This branch serves as bridge between SCC's work in standards and its work in the conformity assessment areas. Knowing about emerging standards issues more immediately may assist SCC's Conformity Assessment branch to be better prepared for changes in the marketplace.

This branch is responsible for managing Canada's participation in the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC)—two of the world's preeminent voluntary standardization bodies—and participation in regional standards organizations. Domestically, it encourages the adoption and application of international standards.

SCC also accredits organizations that develop standards in Canada. Its accreditation programs are based on internationally recognized guides and standards.

Accredited standards development organizations may submit their standards for approval as National Standards of Canada. This designation indicates that a standard is the official

Canadian standard on a particular subject. It also shows that the development process met certain specified criteria.

National Standards of Canada ensure a link to public policy objectives including the health and safety and welfare of workers and assisting and protecting consumers.

National Standards of Canada may be developed in Canada or adopted, with or without changes, from international standards.

Policy and Stakeholder Relations

Capitalizing on new opportunities in standardization to provide social and economic benefits to Canada is the focus of SCC's Policy and Stakeholder Relations branch. Through strategic outreach and the engagement of key stakeholders, the branch leads SCC's efforts to promote the value of standardization to key decision-makers within government departments in growing sectors of the economy. The branch also leads the development of policy issues and analyses trends in standardization to support, for example, the impacts of climate change in the North. The branch also provides corporate communications and marketing support for the organization.

Finance, IM/IT and Administration

The Finance, Information Management and Information Technology and Administration branch is responsible for financial management, information management and technology, and office administration support including translation and travel services.

Corporate Services

SCC's Corporate Services branch provides secretariat and governance policy support to SCC's governing Council and its standing committees; in addition it provides strategic and corporate planning support for the organization. Corporate Services is also responsible for SCC's Information and Research Service, which together form Canada's contact point for the ISO information network (ISONET). In addition, SCC serves as Canada's World Trade Organization (WTO) and *North America Free Trade Agreement* (NAFTA) Enquiry Point.

Canada is a world leader in standardization. SCC facilitates the participation of Canadian standardization experts in committees of ISO and IEC. Influencing standards at this level is vital to Canada's national competitiveness.

3.4 SCC services

SCC provides a wide range of standardization solutions to meet its stakeholders' needs and priorities:

Standards Roadmaps are policy position papers developed in close consultation with stakeholders to provide an overview of the state of standardization for a particular area of the economy. The roadmaps are important standardization solutions as they outline

various strategies for advancing standardization activities in a specific area of the economy. This could include assisting to develop Canada's position on a particular standard. Several of the following tools listed below, such as, SCC's training programs, alert services and information services support these roadmap solutions. Examples of roadmaps currently being developed include: food safety, electric vehicles, natural gas as a fuel for transportation, cloud computing, electric vehicles, green building envelopes and consumer product safety.

SCC's training programs provide niche training on a broad range of standardization topics and are offered in a variety of in-class and electronic formats. Courses are complementary to SCC's core business. Examples of courses being offered are: Introduction to ISO/IEC 17025 lab accreditation, Introduction to ISO and IEC, WTO/Technical Barriers to Trade and Counterfeit and Unsafe Products in Canada.

Export Alert! is an automated e-mail notification service that helps exporters keep abreast of regulatory changes in global markets, before they become law. Export Alert! has generated much interest among WTO member countries as a system for disseminating WTO notifications to a country's domestic stakeholders. Several countries have signed hosting arrangements with the SCC for the delivery of Export Alert! in their respective countries.

Standards Alert! is an automated e-mail notification service that informs subscribers of changes to Canadian and international standards.

Reg Watch is a database of Canadian, foreign and international standards referenced in Canadian federal regulations.

SCC's **Information and Research Service** offers bilingual custom research services, including personalized information on a growing range of standards, legislation, and certification issues in world markets.

As the **WTO NAFTA/Enquiry Point**, SCC serves as the central point of contact in Canada for WTO member countries to obtain information on standardization-related market entry requirements. SCC operates this service under contract with Foreign Affairs and International Trade Canada (DFAIT).

Standardsstore.ca is an online store offering customers a single-point of entry for the purchase of standards, standards collections and related information products.

Technical Document Centre is SCC's on-site technical library open to the Canadian public. It houses a comprehensive standards collection and a number of standards databases and bibliographic references.

SiteScape is an online collaboration and document sharing tool that is used to support the Standards Council of Canada's internal business functions. Other government departments and standards development organizations have chosen to contract the use of SCC's Sitescape hosting services in preference to developing their own.

4. Operating Environment and Context

4.1 Canada's Standardization Landscape: Trends

Context

In 2010, SCC and the four SCC-accredited standards development organizations shifted toward a more targeted approach to participation in standardization activities. *A Call To Action: In Support of Standardization Activities Pertaining to Government of Canada Priorities,* provides details on this approach. The document puts forth recommendations to ensure that Canada is represented on standardization committees in the right sectors at the right levels.

In 2010, SCC identified 11 targeted areas of the economy under the four broader categories of: **energy and the environment** (CO_2 capture and storage, fuels infrastructure); **health and life sciences** (consumer product safety, food safety, healthy enterprises); **infrastructure** (electric vehicles, green buildings envelope, North American smart grid); and **innovation** (cloud computing, leading edge medical devices and nanotechnology) where standardization activities could better support key Government of Canada priorities. This support continues to include securing the participation of the right Canadian subject matter experts and ensuring that they have been trained to negotiate Canada's position successfully—so that resulting standards solutions fit Canadian conditions. The priority areas have been chosen based on their importance: in protecting the health and safety of Canadians as well as in achieving global market access for new and emerging technologies for Canadian products and services.

While SCC intends to adjust these plans in response to market shifts, SCC will not change its overall approach in identifying priority areas for Canada through collaboration with its national partners. Canada's standardization landscape is described in detail in the *Call to Action* document. The following is an abstract from this document on the series of structural trends that are impacting Canada's standardization landscape. This section ends with a description of the relative trends affecting SCC's conformity assessment program.

Erosion of awareness about the role of standardization

There has been a gradual erosion of awareness among key decision-makers about the role of standardization to support economic growth and to safeguard the health and safety of Canadians. From the Second World War up to the 1970s, standards development and product testing/certification activities were highly integrated within federal industrial development strategies. Building awareness of the value and strategic importance of standardization to industry is needed to support Canada's economic growth and productivity, including environmental initiatives. SCC's outreach strategy with key decision-makers in Canada will focus on demonstrating the value of standards and conformity assessment activities.

Growth of international standardization activities

Globalization, outsourcing, mergers and acquisitions and the creation of complex supply chains have contributed to increased reliance on international standardization solutions from organizations such as the International Organization for Standardization (ISO); the International Electrotechnical Commission (IEC) and the International Telecommunications Union (ITU). The exponential growth in regional and international standardization activities make it difficult for senior decision-makers in both industry and governments to keep-up with the pace of change and to coordinate Canada's position on important international rules. Given the resource intensive nature of participation, a targeted approach to participation in regional and international forums needs to be taken. This will help ensure that Canada begins to develop influence in vital areas of Canada's economy.

Smaller Canadian standards base

In the late 1990's Canada's four SCC-accredited standards development organizations maintained more than 5,000 standards; in 2009 the number had fallen to less than 3,800. A significant portion of these standards are found in federal and provincial regulations. This number of uniquely Canadian standards is expected to decrease as we move towards greater harmonization of regional standards and international standards. The concern is that Canadian participation is not keeping up with the pace of international standardization. To this end, Canada must have influence in select targeted areas that are critical to the Canadian economy. As such, a more strategic and coordinated approach to participation in standards development will be pursued with the right standardization partners.

Retrenchment of Canadian participation in international standardization activities

With the recent economic downturn, a retrenchment has been observed across Canada in terms of Canadian participation in international standardization activities, with standards development organizations participating in only mature sectors of the economy and not new sectors due to funding constraints. The ongoing risk in this trend is that Canadian technologies and processes are, and will continue to be, excluded from new standards.

Increasing use of standards by federal and provincial regulators

Although awareness of the value of standardization by senior decision makers is declining, federal and provincial regulator reliance on Canadian and international standards has steadily increased. This is because there is a growing recognition that to be effective, regulations must adapt to international product design, manufacturing, supply chains, certification, testing and recalls. Awareness of standards as a complement to regulations amongst regulators is inconsistent from one sector to another. Raising awareness among government regulators is an important component of SCC's FY 2011-12 outreach strategy.

Complexity of new standards

The majority of new standards being developed are in non-traditional areas. New standards respond to the rapidly changing global marketplace, where just-in-time delivery and the introduction of new and innovative products and services need to happen fast in order to be competitive. New or different approaches to suit emerging standards areas are needed as the requirements are shifting and are becoming more complex.

Aging membership

Standardization activities in Canada depend on Canadian experts who volunteer their know-how to the standards development process here and around the world. SCC has witnessed a significant decrease in Canadian participation and a corresponding increase in requests for funding over the last few years. Given sustained economic challenges, fewer regulators, industry representatives and academics are able to participate in face-to-face meetings. Newer experts in emerging technologies do not have resources to participate. As a result, Canada's volunteer base in standards development is decreasing as more senior experts retire and are not replaced. Should this trend continue, it will be, to the detriment of Canadian competitiveness. Evolving SCC's current model of stakeholder engagement to broaden it to a wider scope of affected stakeholders would allow for increased participation.

Diversification of service offerings

Although standards development activities are perceived to be a public good, recent trends have eroded Canadians' ability to participate. In the past twenty years, standards development organizations (SDOs) have generally reduced efforts in developing Canadian standards, focused attention on the adoption of a limited number of international standards and diversified and expanded their service offerings and revenue base in an attempt to maintain core competencies.

SCC and some SDOs have reacted by reducing staff, streamlining processes and refocusing efforts in standardization areas that will generate additional revenues. SCC and SDOs will continue to work together to ensure that standards development activities focus on areas vital to the Canadian economy. They will continue to explore other service offerings to ensure they achieve the right revenue mix to secure their long-term sustainability.

Trends impacting SCC's conformity assessment program

SCC's accreditation services play an important role in protecting the quality and safety of goods and services available in the Canadian marketplace, and ultimately save governments, businesses and consumers time and money. SCC's conformity assessment program continues to address a number of recurring challenges within its highly competitive operating environment:

1) a shrinking global accreditation market;
2) increased competition, most notably from accreditors that are U.S. based; and
3) stretched resources to improve service levels, introduce new programs and market existing ones.

To address these issues, in 2010, SCC examined its current scope of offerings and divested itself of business lines no longer viable. In FY 2011-12, SCC will focus on service quality to improve client satisfaction. Streamlining processes, introducing a wider use of electronic based communication system and focusing on staff training will support SCC in minimizing these areas of risk currently faced by the Conformity Assessment Program.

4.2 Strategic Issues – SCC Specific

SCC has explored a number of options to best maximize the use of resources for Canada's social and economic agenda. Accordingly, SCC has looked at both its internal and external challenges over the last year and has made significant changes in the delivery of its programs and services. As SCC continues to address these challenges in the coming year, a new business model will emerge.

4.2.1 Internal

In 2010, the Standards Council of Canada (SCC) reduced staff by ten per cent and made adjustments in other areas of the organization to reduce costs. SCC has consistently generated increased revenues through accreditation services, standards sales and advisory services within its mandate, but maximum annual revenue growth is constrained by various factors at an estimated two per cent per year.

With a focus on rationalizing costs and improving margins, SCC will continue to seek ways to maximize the use of its resources. Expanding its services offerings with standardization roadmaps, training programs and strategic partnerships, SCC will focus on trying to improve revenue generation in order to achieve a sustainable business model.

SCC will operationalize its talent management program to ensure that it possesses the right competencies to effectively deliver its programs and services. Recruitment, retention, training and succession planning will be core components of SCC's human resources strategy and will effectively support its overall strategic direction.

SCC's feedback from its client satisfaction survey in 2009 clearly articulated that SCC needs to enhance its electronic communication portal. Improving communication possibilities for SCC's affected stakeholders and industry experts wishing to provide and share information on important standardization issues is crucial to enhancing Canadian competitiveness and safeguarding the health and safety of Canadians. Modernizing its information technology tools is a critical success factor for SCC to be able to demonstrate the relevance and value of standardization to stakeholders.

Together all of these components would help SCC in developing the right business model to ensure delivery of its mandated objectives.

4.2.2 External

SCC's success is also rooted in being more outward-looking and enhancing cooperation with its partners nationally. Formal collaboration with standards development organizations, increased stakeholder engagement and relationship-building with federal Government departments will provide SCC with a stronger platform from which to facilitate and advance standardization activities in Canada.

These collaborative efforts will address several areas of standardization where Canada is lagging compared to other industrialized nations. For example: Canada is not keeping pace with emerging technologies and as a result new standards are not being developed. Canada is not able to participate and maintain secretariats in key international committees

and as a result, has had to adhere to standards that may not consider Canadian conditions.

Taking a strategic and more focused approach to standardization activities will help Canada to secure leadership positions on standardization committees vital to the Canadian economy. SCC is committed to working more closely with its national partners to target Canada's participation in committee work in areas contributing to Canadian competitiveness and enhancing the health and safety of Canadians.

5. SCC's Balanced Scorecard

Balanced Scorecard Approach

Using the traditional balanced scorecard approach to performance management, SCC has developed and will continue to refine its performance measures in support of SCC's overall strategy. The performance measures selected are organized into four categories: financial, customer/stakeholder, business processes and learning and growth. This scorecard approach demonstrates the results of SCC's activities and investments. Ultimately this approach helps to link strategy with performance. The diagram below represents SCC's vision for improving *Canadians quality of life through leadership of Canada's national standard system*. The objectives in this diagram are directly tied to the performance measures in the tables on the following pages.

SCC Balanced Scorecard Objectives

6. Corporate Plan Framework

Strategic Priority 1: Demonstrate the value of standardization

Strategic Goal: Enhanced strategic engagement and participation in standardization activities for the benefit of Canada.

Key initiatives and activities:

1. Make the case for the additional investment needed for Canadian standardization activities;
2. Evolve SCC's current model of stakeholder engagement;
3. Implement SCC's outreach and communications strategy to expand SCC stakeholder base;
4. Pursue standardization activities for select sectors of Canada's economy; and
5. Develop federal department standardization profiles.

Expected Outcomes:

1. Canadian Government and industry are increasingly engaged in standardization activities;
2. Canada's network of standardization experts is strengthened;
3. SCC's strategic partnership with Canada's four standards development organizations (SDOs) maximizes Canada's potential in the field of standardization;
4. Improved coordination of standards development issues through SCC's Standards Development Organizations Advisory Committee (SDOAC) in partnership with the National Research Council's Institute for Research in Construction (NRC-IRC) and the Canadian Commission on Building and Fire Codes (CCBFC); and
5. Standardization profiles are developed for federal partners to leverage the potential of standardization in regulations.

The scope of international standardization activities has broadened significantly in the past decade. Under ISO alone, there are now more than 3,700 active committees. Currently, Canada is participating in approximately half of these committees. Canadian participation in international standardization activities in new and emerging sectors is not growing rapidly enough to offset reduced levels of participation in mature and declining sectors. Some successful industry players have maintained and even increased their investment and rely on in-house technical experts to participate effectively to the standardization process. Keeping up the pace of participation in sectors that could generate significant economic activity in Canada and exports abroad is becoming an increasing concern.

Canada needs to take a strategic approach to its participation in standardization activities that result in broader market access for its products and services or enhance the health and safety of its citizens. Clearly, SCC cannot make these choices alone. There needs to be a meaningful dialogue with decision makers in government and industry on the benefits for Canada to engage in select national, regional and international standardization activities. That dialogue should include the risks and potential impacts of not participating in key target areas. Regular communication, consultation and information exchange are required with stakeholders on the value of standardization.

Greater collaboration with government and industry also means increased investment by them is also required. Given the significant demand by stakeholders' to address their standardization needs, SCC will continue to demonstrate the value of standardization to

key decision makers. Raising awareness on the value may translate into increased support by Government and industry towards advancing standardization activities in Canada.

Canada's four SCC-accredited standards development organizations (SDOs) play an important role in adopting international standards and in developing national standards that benefit Canada. Through working together strategically, SCC and the SDOs are achieving greater success in outreach and engagement of key stakeholders from government and industry.

As Canada's national standardization body with a government-mandated responsibility to provide oversight of Canada's standardization network, SCC is planning on widening the scope of Canada's standardization network to include a wider group of affected stakeholders.

Objectives:

1. Strengthen SCC's relationship with Canada's standards development organizations;
2. Establish strategic partnerships to improve standardization activities in Canada;
3. Strengthen Canada's standardization network of experts; and
4. Strengthen the value proposition for participation in standards and conformity assessment activities.

Strategic Priority 1: Demonstrate the value of standardization			
Strategic Outcome			
✓ **Stakeholders are engaged in standardization activities nationally.**			
Performance Measures*:	**2009/10 Actuals**	**2010/11 Targets**	**2011/12 Targets**
Strategic partnership with standards development organizations	n/a	benchmark year	TBD
Stakeholder engagement	n/a	benchmark year	TBD
Risk Indicators: **These are specific areas that SCC will closely monitor and address with the appropriate risk mitigation strategies to ensure that SCC is successful in achieving this strategic priority.**			
Awareness of the value proposition among stakeholders			
Data to support value proposition			
Cooperation among targeted stakeholders			
***Note: SCC will be exploring measures in relation to national engagement in standardization activities.**			

Strategic Priority 2: Deliver value-added standardization solutions

Strategic Goal: Provide standardization solutions to relevant stakeholders including: standardization roadmaps for priority areas, specialized training, expertise for trade agreements and other government of Canada initiatives, capacity building projects to support emerging/developing countries and the provision of expert standardization information through SCC's Information and Research Service.

Key initiatives and activities:

1. Develop training solutions that meet the priorities and needs of Canadian governments and industries;
2. Establish strategic partnerships to enhance SCC's programs and meet marketplace demands for specialized standardization solutions;
3. Support Canada's strategic approach to participation in standards development activities by developing standards roadmaps for select targeted areas and select clients;
4. As part of a five-year program and in partnership with Department of Indian Affairs and Northern Development (DIAND), SCC will work toward integrating adaptation into codes and standards for Northern infrastructure.
5. Develop policy positions on standardization issues relevant to stakeholders needs and priorities; and
6. Pursue standards-related capacity-building projects for developing/emerging countries.

Expected Outcomes:

1. Niche standardization courses developed—examples: 1) counterfeit and unsafe products for industry, 2) course for policy experts and regulators on the World Trade Organization and Technical Barriers to Trade (WTO-TBT); 3) ISO/IEC 17025 training on the impact of the international laboratory accreditation standard
2. Strategic partnerships enhance SCC's programs and meet marketplace demands for specialized standardization solutions;
3. Standards roadmaps developed to advance Canadian interests in select sectors of the economy—examples: renewable energy generation technologies, food safety; and consumer product safety;
4. During the first year of the adaptation program, a Northern Panel which will comprise of practitioners involved in infrastructure issues will be established. Development of a technical guideline document for thermosyphon design and installation will be developed—a priority area already identified by Northern stakeholders
5. Policy positions on standardization issues developed to meet stakeholders' requirements—examples: collaborate with Natural Resource Canada's to improve the North American Smart Grid structure; support DFAIT by providing standardization input into relevant free trade agreements; support Health Canada's new *Canadian Consumer Product Safety Act* (CCPSA), collaborate with Justice Canada to entrench an approach for federal regulators to consider standards and conformity assessment as instruments of choice;
6. Standards-related assistance projects delivered to developing and emerging economies—examples: WTO/Enquiry Point and Standards Information Service training.

As a Canadian focal point for standardization activities, SCC provides a number of value-added solutions that respond to the needs and priorities of stakeholders. Stakeholders expect SCC to provide the right information and to be able to connect them to experts on

specific standardization topics. SCC's Information and Research Service continues to service both internal and external clients' needs and offer stakeholders a primary point for information on standards and conformity assessment practices.

To support Canada's strategic approach to participation in standardization committees, SCC is developing standardization roadmaps in limited areas. These roadmaps are developed in consultation with stakeholders for each targeted area, identify their essential interests, related resource requirements as well as gaps and opportunities that would move standardization activities forward. Critical success factors and resource-dependent deliverables for a select targeted area will be outlined in the roadmaps. SCC will also develop these roadmaps for select clients and for particular industry sectors.

Standardization practices, instruments and tools offer low risk solutions to address public policy issues. Given the growing recognition by Government of the benefits of standardization, demand for SCC expertise such as standards roadmaps will increase. One such program that has been identified to provide this type of expertise is in relation to integrating adaptation into codes and standards for Northern Infrastructure. In partnership with DIAND, SCC will develop a framework to address issues related to adaptation and codes and standards for northern infrastructure.

In FY 2010-11, SCC established a formal training team dedicated to developing courses dealing with a broad spectrum of standardization and conformity assessment issues. Course delivery will continue in FY 2011-12 and new course material will be developed to respond to stakeholders needs. Some of the courses will be arranged with SCC's partners and the courses will be directed to a variety of target audiences: executives, regulators, small and medium sized businesses and others. Courses will be offered through a number of modalities: classroom, podcasting, web casting and others.

As a policy leader in standardization issues, SCC will be able to keep abreast of government priorities through close collaboration with SDOs and other stakeholders to develop joint deliverables, such as: roadmaps, standards gap analyses and mapping, Canadian positions and interventions, meetings and roundtables with key partners.

Objectives

1. Support Government of Canada initiatives;
2. Lead the development of policy issues on standardization;
3. Develop and deliver standardization solutions to meet government and industry priorities and needs; and
4. Serve as the Canadian centre for standardization information.

Strategic Priority 2: Deliver value-added standardization solutions			
Strategic Outcome			
✓ **SCC delivers value-added standardization solutions for the benefit of Canadian governments, industry and consumers.**			
Performance Measures:	**2009/10 Actuals**	**2010/11 Targets**	**2011/12 Targets**
Number of standards referenced in federal legislation	809	809+	809+
Partnership/Capacity building and training revenue	$418k	$256k	$256k
Effectiveness/Satisfaction with partnership/capacity building and training programs	n/a	benchmark year	TBD
Risk Indicators: **These are specific areas that SCC will closely monitor and address with the appropriate risk mitigation strategies to ensure that SCC is successful in achieving this strategic priority.**			
Responsiveness to stakeholders' needs			
Training and skill set of SCC staff			
Financial resources of SCC			
Increased competition in the operating environment			
Reputation of SCC programs and services			

Strategic Priority 3:

Participate strategically in standards and conformity assessment bodies nationally, regionally and internationally

Strategic Goal: Enhance the health and safety of Canadians and contribute to the Canadian economy through strategic participation in standardization committees.

Key initiatives and activities:

1. Recruit, train and retain standardization experts in priority areas for Canada;
2. Ongoing review of national, regional and international participation;
3. Measure influence of Canadian participation in priority areas for Canada;
4. Determine select priority areas for Canada based on stakeholder consultation;
5. Analyze and take action based on annual report submissions from technical committees; and
6. Review responsiveness of Canada's standardization network.

Expected Outcomes:

1. National, regional and international standardization committees are represented by the right Canadian subject matter expert—SCC's national membership program supports this focus;
2. Strategic participation in international and regional standards development and conformity assessment bodies such as: ISO, IEC, International Accreditation Forum (IAF), Pacific Accreditation Cooperation (PAC), International Laboratory Accreditation Cooperation (ILAC), InterAmerican Accreditation Forum (IAAC) and Asia Pacific Laboratory Accreditation Cooperation (APLAC);
3. Criteria used to determine Canada's effectiveness on technical committees in priority areas established; Canadian positions advocated effectively on: ISO's Technical Management Board (TMB) member, regionally as member of the Pacific Area Standards Congress (PASC) and the Pan-Amercian Standards Commission (COPANT) and in other standards initiatives undertaken jointly with the American National Standards Institute (ANSI) and memorandums of understanding (MOUs) with other National Standards Bodies;
4. Emerging priorities in standards development identified for Canada;
5. Action plans developed to increase effectiveness of technical committees; and
6. Mechanism to maximize stakeholder involvement established.

Canada depends on the involvement of Canadian expertise and know-how from key industry sectors to be involved on standardization committees both nationally and internationally—particularly during this era of global market expansion. Over the years, Canadian participation in international standardization activities has declined.

SCC and Canadian standards development organizations are finding it extremely difficult to maintain and expand ISO/IEC secretariats and key policy leadership positions in critical areas, without additional investment. The situation is compounded by the increasing number of Canadian small and medium sized businesses who, while having the will and the knowledge no longer have sufficient levels of funding to do standards work. Declining participation and attendance at meetings by Canadians in standardization activities have

put at risk Canada's ability to influence international standards, potentially excluding Canadian manufactured goods and services from the global marketplace.

To address these trends SCC wants to ensure that Canada maintains and establishes leadership positions that drive and influence economic growth. Canadian influence and technology built into international standards is essential to ensuring international standards meet Canadian conditions and that Canadian products and services are more widely accepted globally. Canada needs to ensure that it is does not become a *standards taker* but rather a *standards maker* in key areas vital to the Canadian economy. SCC and standard development organizations are working together to support Canadian participation in standards development activities that will contribute to key growth sectors of Canada's economy.

SCC as a facilitator of Canadian participation will focus on supporting standardization experts in select priority areas. To do this, SCC will support standardization experts by: aligning the right expert with a priority area for Canada; guiding experts to develop the right alliances with other committee participants; helping experts to develop the right Canadian position; providing training on regional and international participation and negotiating Canada's position successfully.

Objectives

1. Identify opportunities on national, regional and international committees for Canadian experts and within the select priority areas;
2. Provide effective support to stakeholder/expert participating in standardization committees; and
3. Effective participation on national, regional and international committees that results in heightened Canadian global influence.

Strategic Priority 3: Participate strategically in standards and conformity assessment bodies nationally, regionally and internationally			
Strategic Outcome			
✓ **Canada's influence in standardization activities enhance the health and safety of Canadians and result in broader market access for Canadian products and services.**			
Performance Measures:	**2009/10 Actuals**	**2010/11 Targets**	**2011/12 Targets**
Number of Canadian experts participating in technical committees of ISO and IEC*	2648	2500	2500
Number of Canadian experts participating in technical committees of ISO and IEC in priority areas	n/a	TBD	TBD
Number of Canadian Leadership positions	288	±5%	±5%
Canada's level of influence in positions put forward at the technical level in ISO and IEC	n/a	benchmark year	TBD
Percentage of National Standards of Canada that are adoptions/adaptions of ISO and IEC standards	85%	90%+	90%+
Risk Indicators: **These are specific areas that SCC will closely monitor and address with the appropriate risk mitigation strategies to ensure that SCC is successful in achieving this strategic priority.**			
Financial resources available for participation			
Competitive intelligence disseminated to SCC and stakeholders			
Provision of training for standardization experts			
Reputation of Canadian standardization experts			
***Note: SCC currently tracks the number of Canadian experts participating in ISO and IEC committees. As SCC's strategic direction continues to shift, SCC will focus on measuring both the number and effectiveness of participants in priority areas.**			

Strategic Priority 4: Grow the conformity assessment program

Strategic Goal: Focus on growth and sustainability and develop a new business model.

Key initiatives and activities:

1. Develop unique business plan for each of SCC's conformity assessment programs;
2. Review costs and fees;
3. Implement conformity assessment management system (CAMS); and
4. Design a customer satisfaction strategy.

Expected Outcomes:

1. Growth strategies identified for each of SCC's accreditation services: management system certification bodies; testing and calibration laboratories (including medical laboratories), greenhouse gas validation and verification bodies, personnel certification bodies, and product and service certification bodies and inspection bodies;
2. A revised fee structure addresses clients' concerns while ensuring 100% cost recovery;
3. Conformity assessment management system (CAMS) improves service delivery of SCC's accreditation services; and
4. Customer satisfaction strategy implemented and an 80% satisfaction rate is achieved.

SCC's conformity assessment programs are unique in the marketplace and have the potential to become even more relevant to Canadian business and regulators as they seek more ways to be competitive and risk averse at the same time. SCC's primary goal, during this planning period will be to focus on relationship-building with new and existing clients. Improving service delivery and providing value-added services to clients will also be a primary focus. Examples include: a policy for multi-laboratory site assessments and increased training for assessors to share industry best practices with clients. Establishing strategic partnerships with industry partners may facilitate further expansion of SCC's conformity assessment program.

SCC's primary focus in 2010 was on improving operational efficiencies, including cross-training of staff, evaluating the performance of team leads and technical assessors and maximizing efficiency of staff time. SCC intends to develop relationships and to create new customers for specific conformity assessment programs: mineral analysis, good laboratory practice, food safety, medical laboratories and greenhouse gas.

In FY 2011-12 SCC will continue to identify and develop business opportunities for revenue-generation. This will include establishing business relationships in key industry and government sectors. In addition, in FY 2011-12 with the implementation of a new conformity assessment management system, SCC will improve the effectiveness of the services delivered and improve internal processes and efficiencies such as timeliness and better client management.

Many organizations are seeking training on various international standards such as ISO/IEC 17025. SCC's training team will work with the conformity assessment branch to

provide these complementary services. Training on the necessary requirements needed to be accredited for SCC's various accreditation programs (mineral laboratories, greenhouse gas, good laboratory practice etc.) within the limitations of ISO 17011 will provide clients with the value-added services they are seeking.

With continuous improvement initiatives underpinning all of SCC's programs and services, SCC's conformity assessment program will seek outside technical expertise to achieve quality program delivery. Experts in emerging fields such as greenhouse gas and forest management for example have been contracted by SCC to ensure ongoing program competency and professionalism.

Objectives:

1. Improve operational efficiencies;
2. Improve business model to achieve growth and sustainability of the program;
3. Comply with all international regulations for conformity assessment bodies;
4. Provide leadership to Canadian clients on all accreditation matters; and
5. Improve market share relative to the competition.

Strategic Priority 4: Grow the conformity assessment program			
Strategic Outcome			
✓ The SCC is recognized as the accreditor of choice in Canada.			
Performance Measures:	**2009/10 Actuals**	**2010/11 Targets**	**2011/12 Targets**
Client satisfaction	69%	78%	80%
Revenue	$6.0 m	$5.6 m	$5.9 m
Number of accredited clients	395	5%↑	5%↑
Cost recovery for CA programs	92%	87%	100%*
Risk Indicators **These are specific areas that SCC will closely monitor and address with the appropriate risk mitigation strategies to ensure that SCC is successful in achieving this strategic priority.**			
Competitive intelligence and market research			
Business development capacity			
Training and skill set of SCC staff			
Changing global requirements			
Capitalize on marketplace opportunities			
Reputation of accreditation services			
Changing regulations and requirements			
Note: In the past, cost-recovery for conformity assessment programs included both direct and indirect costs. ***In FY 2011/12, SCC's cost recovery methodology will include direct and a proportional share of indirect costs.***			

Strategic Priority 5: Foster organizational excellence

Strategic Goal: Develop a corporate-wide business model that ensures the long-term sustainability of the SCC.

Key initiatives and activities:

1. Implement human resources strategic plan; and
2. Update quality management system processes and reduce costs where applicable.

Expected Outcomes:

1. SCC implements year one of a 3-year human resources strategic plan; and
2. SCC's quality management system fully reflects ISO 9001:2008 standard.

Fostering organizational excellence at every level within the organization will help SCC achieve a long-term sustainable business model. By identifying the critical success factors of the organization, SCC will be able to achieve this long-term goal.

Firstly, SCC needs to achieve the right balance of appropriation with its revenue-generating services. SCC will continue to promote the need for additional investment in Canadian standardization and at the same time will focus on developing complementary services such as training programs and capacity-building projects to improve its revenue mix as much as possible.

Secondly, SCC's success hinges upon strong stakeholder engagement. SCC's ability to engage stakeholders to advance Canada's standardization agenda is heavily dependent on the right information management infrastructure. Securing Canadian participation in standardization activities; improving information-exchange and communication between SCC and its stakeholders; protecting its intellectual property assets; and in understanding its value in the marketplace are all components of what is required for SCC to achieve stronger stakeholder engagement. The better SCC becomes at managing its information and knowledge assets and at connecting those assets to each other through systems integration, the more effective and efficient it will be in achieving its goals. SCC will make upgrades to its information technology tools gradually and maximize its resources to the extent possible in this area.

Thirdly, as SCC's strategic direction continues to evolve, the importance of key performance indicators will be increasingly important to measure SCC's impact on Canadian competitiveness and its role in enhancing the health and safety of Canadians. Performance measurement will be cascaded down to the branch and individual performance level.

Finally, a strong human resources strategy is needed for SCC to achieve a sustainable business model. Through a formal human resources strategic plan, SCC will articulate a human resources vision for the organization that effectively supports the priorities and goals of the organization. SCC's human resources strategic plan will aim to focus on strategies needed to attract, recruit and retain high impact people. This strategic plan will look at strategies that foster satisfaction and engagement among SCC staff, and will ensure that resources are appropriately aligned in order to best achieve SCC's mandate.

Objectives:

1. Improve revenue mix;
2. Create a culture of excellence that fosters high performance teams and engages staff;
3. Modernize SCC's processes; and
4. Re-allocate resources to align with revised strategic direction.

Strategic Priority 5: Foster organizational excellence			
Strategic Outcome			
✓ SCC is recognized as a credible and professional coordinator of standardization activities in Canada.			
Performance Measures:	**2009/10 Actuals**	**2010/11 Targets**	**2011/12 Targets**
Employee satisfaction	82%	85%	85%+
Percentage of salary budget spent on staff training	1.1%	1.5%	1.5%
Variance to forecast: net income is within 1.5% of budget	0.3%	±1.5%	±1.5%
Risk Indicators **These are specific areas that SCC will closely monitor and address with the appropriate risk mitigation strategies to ensure that SCC is successful in achieving this strategic priority.**			
Organizational change management			
Financial resources for all SCC programs and services			
IT tools to deliver SCC programs and services effectively			
Training and skill set of SCC staff			

7. Enterprise Risk Management

Risk management is an integral component of the Standards Council of Canada (SCC)'s strategic planning. And, in developing this Corporate Plan framework, SCC conducted a thorough risk assessment to ensure that it effectively addresses any risks that would impede it from achieving the strategic priorities and objectives outlined in this Corporate Plan.

As SCC continues to build a stronger culture of risk management, increasingly risk mitigation strategies will be incorporated into SCC processes and operations. Using the principles and guidelines of risk management (*ISO 31000),* SCC follows the framework outlined in this international standard to manage its own exposure to key corporate risks. The table on the following page summarizes the key risks facing SCC as it anticipates implementation of this Corporate Plan.

SCC has organized its risks into three higher order categories: strategic, business and operational.

SCC Risks aligned to FY 2011-12 Strategic Priorities	Risk Rating	Key Mitigation Strategy	Aligns with strategic priority
1. STRATEGIC RISKS: are risks arising from a lack of responsiveness to the operating environment and that may affect the future strategic direction and success of the organization. These risks if addressed appropriately with the right mitigation strategies could alternatively be viewed as significant opportunities for SCC to effectively meet its mandate objectives. These risks will affect the long-term sustainability of the SCC.			
a) Demonstrating the value of standardization: Standardization activities in Canada are at risk of being diminished should SCC and its partners fail to effectively demonstrate the value of standardization to key government and industry stakeholders.	■	Focus on advancing standardization activities in priority areas vital to Canada's economy.	1
b) Creating new business: Should SCC not be successful in creating new business for its new and existing programs and services, SCC risks phasing out services which could negatively impact the long-term sustainability of the SCC.	■	Develop new programs based on quality procedures. Implement business development work plan and measure results.	1-5
c) Strategic participation in standards and conformity assessment bodies: Canada's ability to influence the outcome of standards in areas of strategic importance to the economy is at risk should SCC fail to effectively strengthen Canada's network of standardization experts.	●	Facilitate the participation of Canadian experts to influence standards development activities nationally, regionally and internationally through recruitment, retention and training.	3
2. BUSINESS RISKS: are considered specific to SCC's business and are areas where if the necessary controls are not in place could result in negative impacts on all SCC programs and services.			
a) Financial: Delivery of SCC's programs and services are at risk should SCC not achieve the right balance between its government appropriation levels and its revenue from other sources (i.e. accreditation services, training, sale of standards, capacity building projects.)	●	Continue to demonstrate the investment needed to pursue standardization activities in Canada and focus on achieving targets for SCC's revenue generating services.	1-5
b) Legal: SCC is at risk for legal action should it not meet certain requirements for any of its programs and services.	■	Review and update all CAN-P documents by April 2012.	1-5
c) Competitive Intelligence: a lack of competitive intelligence could impede senior management's ability to make informed strategic decisions for the organization.	■	Ensure all competitive intelligence is filtered to the right programs and services through various mechanisms (business development, surveys, information and research service, etc.)	1-5
3. OPERATIONAL: are risks arising from the execution of SCC business functions e.g. people, system and processes. These risks also apply to all branches and program areas.			
a) People: SCC is at risk of not being able to adequately address its human resource requirements, should it fail to plan strategically for its people.	■	HR strategic plan implemented by April 2011.	1-5
b) Technology and information management: SCC's programs and services are at risk for no longer being valuable and relevant to stakeholders should they not be supported by the right technology infrastructure.	●	SCC will maximize the use of these resources to make upgrades to its IT infrastructure.	1-5
c) Quality and Governance: Ineffective governance practices and rigour in their application as well as poor quality practices which could impede on SCC's positive corporate reputation, credibility and public trust.	■	SCC's quality management system is 100% updated to ISO 9001:2008 by April 2011.	1-5

Legend

Risk Rating= Probability x Impact	
●	**High**
■	**Medium**
▲	**Low**

8. FINANCIAL PLAN AND MANAGEMENT STRATEGIES

8.1 2010-2011 Operating Forecast vs. Budget

In 2010-11, Standards Council of Canada (SCC) forecasts a net loss before government funding at $7.4 million. This is $127 thousand less when compared to the 2010-11 operating budget. SCC, also forecasts a net loss after government funding of $397 thousand against a budgeted loss of $393. This performance can be attributed to tactical cost reduction measures SCC has undertaken over the last several months that have offset the forecasted revenue shortfall to plan of $577 thousand. Forecasts are based on actual results ending September 30, 2010 and on estimates for the remainder of the year.

Revenues from operations are forecast at $7.4 million, or 7.2 per cent below the budgeted amount of $8.0 million. Revenue from accreditation fees is forecast at $5.6 million, substantially lower than the budgeted amount of $6.2 million. The ongoing weakness of the global economy continues to influence clients' assessment of the costs and benefits of maintaining their voluntary accreditation status and pressures from competitive markets continue to be experienced. These negative trends impact all three areas of Conformity Assessment: a shortfall to plan for Certification and Inspection Bodies of $251 thousand or 17 percent; a gap to plan of $233 thousand or 16 per cent in Management Systems and a gap to plan of $130 thousand or 5 per cent in the Laboratories (PALCAN) program. As SCC enters its peak business period, it is nevertheless optimistic for a strong recovery during the third and fourth quarters and foresees a solid beginning to the 2011-2012 fiscal year.

Royalties from the sales of standards are projected at $850 thousand, representing a strong performance of $100 thousand higher than budget. This forecast is based on favourable sales data, and actual royalties received at the end of the second quarter. Lower than planned interest income and the loss of web hosting customers have negatively impacted the forecast of other income of $278 thousand ($143 thousand lower than budget).

Expenses are forecasted at $14.8 million, or $704 thousand below budget of $15.5 million. Given a reorganization and reduction in staff, salary and employee benefit costs are expected to be lower by $167 thousand as compared to budget. Travel expenses are forecast at $1.4 million or $284 thousand better than budget. Other cost reduction measures have been applied to meeting expenses and office supplies.

Conformity Assessment continues to review its expenses in staff, committee and assessment team travel and in professional fees to improve its margins and cost-recovery results on its accreditation services.

As operational efficiencies are forecasted to generate cost savings, some preliminary planning for renewal of SCC's information technology infrastructure has started. However, given SCC's current financial outlook, there is no long-term financial commitment to support this renewal.

Standards Council of Canada
Income Statement

For the Year ended March 31 (in thousands of dollars)	Actuals 2009-2010	Forecast 2010-2011	Operating Budget 2010-2011	Forecast * B/(W) to Budget in $	 in %
Revenue from Operations					
Conformity Assessment-accreditation fees	5,962	5,639	6,188	(549)	(8.9%)
Royalties from Sales of Standards	825	850	750	100	13.3%
WTO/NAFTA Enquiry Point & Info Services	360	365	361	4	1.2%
Partnership, capacity building & training/advisory	418	256	247	9	3.8%
Other income	450	278	420	(143)	(33.9%)
Revenue from Operations	**8,015**	**7,388**	**7,966**	**(577)**	**(7.2%)**
Expenses					
Salaries and employee benefits	9,307	8,791	8,958	167	1.9%
Professional fees	1,469	1,368	1,408	40	2.8%
Travel	1,557	1,371	1,655	284	17.2%
Memberships in international organizations	1,033	940	940	0	0.0%
Office accommodation	658	664	659	(5)	(0.7%)
Delegate and secretariat assistance	410	425	425	0	0.0%
Meeting expenses	289	227	302	75	25.0%
Amortization of furniture, equipment and leaseholds	194	166	195	29	14.9%
Marketing and advertising expenses	58	138	153	15	9.6%
Postage, courier and telecommunications	121	120	131	11	8.7%
Translation of national standards	144	100	100	0	0.0%
Training and development	70	83	92	9	9.9%
Insurance costs	77	75	79	4	4.5%
Office supplies	110	72	104	32	31.2%
Publications and printing	59	64	81	17	21.1%
Repair and upkeep	118	51	50	(1)	(2.9%)
Rental of equipment	40	43	40	(2)	(7.5%)
Bad debt expense	74	43	70	27	38.3%
Other expenses	58	46	49	3	5.7%
Expenses	15,846	14,787	15,491	704	4.5%
Net Loss before Government Funding	(7,831)	(7,398)	(7,525)	127	1.7%
Amortization of deferred government funding	55	(127)	3		
Parliamentary appropriation for operating expenses	7,129	7,129	7,129		
Net Loss	**(647)**	**(397)**	**(393)**		

** Forecast B/(W) to Budget = 2010-2011 Forecast Better or (Worse) to budgeted amount*

Note: Totals may not add up due to rounding

8.2 2010-2011 Forecast to next year 2011-2012 Operating Budget

In 2011-12, total revenue from operations is expected to increase by 3.2 per cent over the forecasted level of 2010-2011, reaching $7.6 million. The growth in operating revenue for 2011-2012 of $245 thousand is primarily derived from accreditation fees, which is planned to increase by $232 thousand.

These fees are projected to increase by 4 per cent, primarily in the Certification program with a projected growth of $132 thousand or 9 per cent, with a revenue target of $1.6 million. An increase of $72 thousand or 5 per cent is expected in Management Systems. The Conformity Assessment branch has successfully completed the recruitment of management and technical staff members and will be operating in 2011-2012 at a full complement of 24 staff. The revenue growth assumptions in accreditation revenues are based on historical growth but also take into consideration encouraging signs of program expansion in areas such as Good Laboratory Practice (GLP) and Greenhouse Gas Certification.

All other sources of revenue including royalties from sales of standards; operation of the WTO/NAFTA enquiry point and provision of information services; partnership and capacity building initiatives; and training and advisory services are subject to available resources that can be dedicated to fulfillment of these services. As a result, SCC expects these revenues to remain at $1.8 million in 2011-12, the same level as forecasted for 2010-11.

SCC's value proposition on enhancing the climate resilience of northern infrastructure with codes, standards and related instruments has been endorsed by stakeholders. For fiscal years 2011-12 through 2015-2016, SCC will receive an additional $500K of Parliamentary Appropriation in support of the "True North Initiative".

The percentage of revenue from parliamentary appropriation is forecast to be at 49 per cent in 2010-2011 and will rise to 50 per cent in 2011-2012. But with continual inflationary cost increases, SCC foresees greater challenges in future years when parliamentary appropriation is estimated to decline to 47 per cent of its overall source of revenues. This shrinkage will continue to put pressure on SCC's resources and may necessitate SCC's withdrawal from key strategic areas within its mandate and the elimination of certain programs and services.

The net loss before Government funding for the year 2011-2012 is expected to increase by $395 thousand or slightly more than 5.1 per cent over the 2010-2011 forecast. This result includes additional costs planned to support the True North initiative and will only be achieved by continuing a strict program of the cost containment measures and cost deferral to protect a certain level of operating cash flows. These measures are not viable in the long term but will help to maintain SCC's financial self-sustainability in the short term. Based on the above assumptions, SCC would no longer have the operating cash flows to continue all of its current operations by 2014-2015 and would liquidate its equity position by 2015-2016. While forecasts indicate progressive losses over the five-year period, SCC intends to mitigate this situation through: continuing a strict program of cost containment measures and identifying opportunities for other sources of revenue. A formal plan to address this situation will be developed in FY 2011-12.

Increases in specific operating expenses are primarily due to planned growth in professional fees of $539 thousand and an increase of $70 thousand in recoverable travel expenses required for the delivery of accreditation programs. Memberships in international organizations, such as ISO and IEC, are paid in Swiss francs at a projected average exchange rate of $1.03 based on current currency exchange rates.

In previous years, all corporate and administrative costs were fully allocated to the Conformity Assessment and other operating branches. As a result, the Conformity Assessment branch achieved close to 90 per cent cost recovery. Starting in 2011-12, corporate and administrative costs will be allocated on a proportionate share basis and it is expected that the branch will achieve a cost recovery target of 100 per cent (break-even).

Operating cost increases are largely offset by a 1 per cent or $55 thousand reduction in salary and employee benefit costs with a projected staff level at 85 employees; a decrease in advertising and marketing expenses of $62 thousand; a reduction of $50 thousand or 50 per cent in the amount planned to be spent for the translation of national standards; and a reduction in bad debt expense of $18 thousand or 42 per cent. The latter can be attributed to an increased focus on collection activities and the fact that the financial outlook of SCC's customers has improved.

While the forecast for training and development expenses in 2010-2011 is 1.4 per cent of the salary base or $83 thousand, the target has been reset at the expected corporate metric of 1.5 per cent of the salary base representing a $10 thousand increase in training in 2011-2012.

Reduced planned amounts for non-recoverable travel, other professional fees and administration costs reflect again SCC's concerted commitment to focus its efforts and allocate its resources in priority standardization activities that are of greatest value to Canadians.

Given SCC's current financial outlook, there are no additional major initiatives that have financial resource implications included in this 2011-12 Plan.

Standards Council of Canada
Income Statement

For the Year ended March 31 (in thousands of dollars)	Actuals 2009-2010	Forecast 2010-2011	Operating Budget 2011-2012	Forecast vs. 2011-12 Budget B/(W) $	Forecast vs. 2011-12 Budget %
Revenue from Operations					
Conformity Assessment-accreditation fees	5,962	5,639	5,872	232	4.0%
Royalties from Sales of Standards	825	850	850	0	0.0%
WTO/NAFTA Enquiry Point & Info Services	360	365	361	(4)	(1.2%)
Partnership, capacity building & training/advisory	418	256	256	0	0.0%
Other income	450	278	295	17	5.7%
Revenue from Operations	**8,015**	**7,389**	**7,633**	**245**	**3.2%**
Expenses					
Salaries and employee benefits	9,307	8,791	8,736	55	0.6%
Professional fees	1,469	1,368	1,907	(539)	(28.3%)
Travel	1,557	1,371	1,441	(70)	(5.1%)
Memberships in international organizations	1,033	940	1,000	(60)	(6.4%)
Office accommodation	658	664	664	0	0.0%
Delegate and secretariat assistance	410	425	425	0	0.0%
Meeting expenses	289	227	227	0	0.0%
Amortization of furniture, equipment and leaseholds	194	166	260	(94)	(56.6%)
Marketing and advertising expenses	58	138	77	62	44.2%
Postage, courier and telecommunications	121	120	117	2	2.5%
Translation of national standards	144	100	50	50	50.0%
Training and development	70	83	93	(10)	(12.0%)
Insurance costs	77	75	78	(3)	(4.0%)
Office supplies	110	72	77	(5)	(6.9%)
Publications and printing	59	64	60	4	6.3%
Repair and upkeep	118	51	96	(44)	(88.2%)
Rental of equipment	40	43	44	(1)	(2.3%)
Bad debt expense	74	43	25	18	41.9%
Other expenses	58	46	49	(3)	(6.5%)
Expenses	15,846	14,787	15,425	(638)	(4.1%)
Net Loss before Government Funding	(7,831)	(7,398)	(7,793)	(395)	(5.1%)
Amortization of deferred government funding	55	(127)	35		
Parliamentary appropriation for operating expenses	7,129	7,129	7,629		
Net Loss	**(647)**	**(397)**	**(128)**		

** B/(W) to Budget = Better or (Worse) to budgeted amount*

Note: Totals may not add up due to rounding

Standards Council of Canada
Performance Measures and Plan Assumptions

For the Year ended March 31 (in thousands of dollars)	Actuals 2007-2008	Actuals 2008-2009	Actuals 2009-2010	2010-2011 Forecast	2010-2011 Operating Budget	Five-Year Plan 2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Revenue from Operations	7,907	7,739	8,015	7,389	7,966	7,633	7,894	8,160	8,428	8,674
Parliamentary Appropriation	7,110	7,196	7,184	7,003	7,132	7,664	7,624	7,661	7,662	7,714
Total Revenue	**15,018**	**14,935**	**15,198**	**14,390**	**15,098**	**15,297**	**15,518**	**15,821**	**16,090**	**16,388**
Percentage of revenue from Parliamentary Appropriation	***47%***	***48%***	***47%***	***49%***	***47%***	***50%***	***49%***	***48%***	***48%***	***47%***
Conformity Assessment Cost Recovery	***92%***	***90%***	***92%***	***87%***	***90%***	**** 100%***	**** 100%***	**** 100%***	**** 100%***	**** 100%***
Training Expense as a per cent of Salary Expense	***1.5%***	***1.3%***	***1.2%***	***1.4%***	***1.5%***	***1.5%***	***1.5%***	***1.5%***	***1.5%***	***1.5%***
Number of Employees	***85***	***88***	***89***	***84***	***83***	***85***	***85***	***85***	***85***	***85***

** In previous years, the conformity assessment programs were allocated all of indirect corporate costs. Starting in 2011/12, Conformity Assessment will be allocated its proportionate share of these corporate costs and will be expected to be break-even.*

8.3 2010-2011 Capital Expenditures Forecast

Total capital expenditures in 2010-2011 are forecast at $370 thousand, $125 thousand higher than the original budget of $245 thousand.

SCC realizes the importance of a dynamic approach to managing data, sharing information, and integrating knowledge in all areas of strategic importance and identified priorities. SCC generates and disseminates large volumes of information through its multiple web sites and other delivery channels. The efforts required to maintain its web presence are significant, but SCC believes that savings and service improvements are possible with the implementation of an enterprise content management solution and the introduction of new collaborative tools that support its core activities.

In 2010-11, SCC explored options to address its web infrastructure and is looking at implementing by year-end an affordable new web content management system. The purchase of an off-the-shelf package or a possible enhancement of its current web interface will represent an estimated $125 thousand capital investment.

In addition, 2010-2011 is the third year of a three-year program for the consolidation and virtualization of servers. A $90 thousand capital investment in server software is planned to renew and expand existing storage capacity that is significantly under pressure and to improve the protection of data that would otherwise be at risk of loss due to hardware failure. SCC's information technology capital investment also includes life cycle upgrades of desktops and portable notebooks over a four year period at an estimated cost of $14 thousand.

As part of the SCC's efforts to address web accessibility and enhance the user experience, a *BrowseAloud* software was purchased and implemented this year at a cost of $8 thousand.

Leasehold improvements at $103 thousand are planned as per SCC's lease agreement and funds will be spent on required office construction and renovation resulting from SCC's program restructuring in 2010-2011. These improvements will be reimbursed by the landlord as the leasehold improvement projects are completed.

As a result of this redesign and in support of SCC's new training initiatives, some minimal office furniture replacements are forecast at an estimated cost of $28 thousand.

8.4 2011-2012 Capital Budget to 2015-2016 Capital Investment Plan

The SCC's 2011-2012 total capital investment budget is planned at $150 thousand. While consistent with SCC's vision for an enterprise content management system and renewed information technology (IT) platform, the capital investment plan will be limited to basic life cycle upgrades of its infrastructure.

Planned investment in IT infrastructure of $66 thousand or approximately 40 per cent of the total 2011-12 capital budget will include an update of the Microsoft Windows 2008 Active Directory ($15 thousand), an upgrade to Microsoft Exchange 2010 and Server Software ($34 thousand) and life cycle replacement of lap top /desktop equipment ($17 thousand annually).

Furniture, small office equipment life cycle upgrades and other minor capital investments are planned at a cost of $84 thousand in 2011-2012.

For 2012-13 to 2015-16, the Plan continues to allocate $150 thousand per year for a total of $750 thousand in capital expenditures over the five-year period.

Standards Council of Canada
Capital Investment Plan

Year ended March 31	Actuals	2010-2011		Five-Year Plan				
	2009-2010	Forecast	Operating Budget	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
IM/IT infrastructure equipment	112,107	83,220	80,000	66,000	123,500	88,000	97,000	82,000
Software & Other		156,310	30,000	57,500	16,500	52,000	43,000	58,000
Furniture & small office equipment	1,633	27,470	32,000	26,500	10,000	10,000	10,000	10,000
Leasholds Improvements		103,000	103,000	0	0	0	0	0
Total Capital Investment Plan	**113,740**	**370,000**	**245,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**

8.5 Pro Forma Financial Statements

Standards Council of Canada
Pro Forma Balance Sheet

Year ended March 31	Actuals	Forecast	Five-Year Plan				
(in thousands of dollars)	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
ASSETS							
Cash	1,373	993	837	523	53	(730)	(1,645)
Accounts Receivable:							
Federal departments and agencies	2,280	2,189	2,222	2,262	2,303	2,344	2,386
Other Accounts Receivable	1,580	1,517	1,539	1,567	1,595	1,624	1,653
Prepaid Expenses	811	811	811	811	811	811	811
Fixed Assets	559	764	680	566	434	356	304
TOTAL ASSETS	**6,604**	**6,274**	**6,090**	**5,729**	**5,196**	**4,404**	**3,509**
LIABILITIES							
Accounts Payable and Accrued Liabilities	1,488	1,487	1,486	1,511	1,552	1,599	1,650
Deferred Revenues	2,015	1,936	1,965	1,969	2,013	2,049	2,085
Deferred Revenues - Tenant Allowance	147	224	173	123	72	22	0
Deferred Government Funding	412	322	288	293	261	228	143
Total Liabilities	4,063	3,969	3,912	3,896	3,898	3,898	3,878
Equity of Canada	2,541	2,305	2,178	1,833	1,298	507	(369)
TOTAL LIABILITIES AND EQUITY OF CANADA	**6,604**	**6,274**	**6,090**	**5,729**	**5,196**	**4,404**	**3,509**
Acquisition of Capital Assets	**114**	**370**	**150**	**150**	**150**	**150**	**150**

Standards Council of Canada
Pro Forma Statement of Operations and Comprehensive Income

For the Year ended March 31 (in thousands of dollars)	Actuals 2009-2010	Forecast 2010-2011	Five-Year Plan 2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Revenue from Operations							
Conformity Assessment-accreditation fees	5,962	5,639	5,872	6,140	6,412	6,688	6,969
Royalties from Sales of Standards	825	850	850	850	850	850	850
WTO/NAFTA Enquiry Point & Info Services	360	365	361	361	361	361	361
Partnership, capacity building & training/advisory	418	256	256	256	256	256	256
Other income	450	278	295	287	281	274	238
Total Revenue from Operations	**8,015**	**7,389**	**7,633**	**7,894**	**8,160**	**8,428**	**8,674**
Expenses							
Salaries and employee benefits	9,307	8,791	8,736	9,141	9,593	10,092	10,565
Professional fees	1,469	1,368	1,907	1,875	1,919	2,038	2,008
Travel	1,557	1,371	1,441	1,472	1,504	1,537	1,571
Memberships in international organizations	1,033	940	1,000	1,000	1,000	1,000	1,000
Office accommodation	658	664	664	664	664	664	664
Delegate and secretariat assistance	410	425	425	425	425	425	425
Meeting expenses	289	227	227	227	227	227	227
Amortization of furniture, equipment and leaseholds	194	166	260	265	282	228	201
Marketing and advertising expenses	58	138	77	72	67	62	57
Postage, courier and telecommunications	121	120	117	116	114	112	110
Translation of national standards	144	100	50	25	10	5	0
Training and development	70	83	93	98	103	108	114
Insurance costs	77	75	78	81	84	87	91
Office supplies	110	72	77	68	61	54	48
Publications and printing	59	64	60	53	47	40	35
Repair and upkeep	118	51	96	95	94	93	93
Rental of equipment	40	46	44	42	40	38	35
Bad debt expense	74	43	25	25	25	25	25
Other expenses	58	43	49	50	50	52	52
Total Expenses	15,846	14,787	15,425	15,793	16,308	16,887	17,321
Net Cost of Operations	(7,831)	(7,398)	(7,793)	(7,900)	(8,149)	(8,459)	(8,647)
Parliamentary Appropriation - Industry Canada	7,129	7,129	7,629	7,629	7,629	7,629	7,629
Appropriation for funding of capital assets	55	(127)	35	(5)	32	33	85
Net Loss before Comprehensive Income	**(647)**	**(397)**	**(128)**	**(275)**	**(487)**	**(797)**	**(933)**
Other Comprehensive Income	(96)	(15)					
Net Comprehensive Loss	**(743)**	**(412)**	**(128)**	**(275)**	**(487)**	**(797)**	**(933)**

Standards Council of Canada
Pro Forma Statement of Cash Flows

Year ended March 31 (in thousands of dollars)	Actuals 2009-2010	Forecast 2010-2011	Five-Year Plan 2011-2012	 2012-2013	 2013-2014	 2014-2015	 2015-2016
Operating Activities							
Net Loss	(647)	(397)	(128)	(275)	(487)	(797)	(933)
Adjustments for Non-Cash Items:							
Amortization of capital assets	194	166	260	265	282	228	201
Amortization of deferred revenue related to tenant allowance	(26)	(26)	(51)	(51)	(51)	(51)	(22)
Amortization of deferred government funding	(168)	(140)	(209)	(214)	(231)	(178)	(180)
	(647)	(397)	(128)	(275)	(487)	(797)	(933)
Restricted contributions from non-owners received / (used)	(96)	(57)	-	-	-	-	-
Changes in current liabilities and current assets other than cash	(1,529)	74	(28)	(39)	17	13	16
Cash Flows from operating activities	(2,272)	(380)	(156)	(314)	(470)	(782)	(916)
Investing Activities							
Acquisition of capital assets	(114)	(370)	(150)	(150)	(150)	(150)	(150)
Financing Activities							
Funding for acquisition of assets							
Parliamentary Appropriation	114	267	150	150	150	150	150
Tenant Improvement Allowance	0	103	0	-	-	-	-
Net Increase (Decrease) in cash	(2,272)	(380)	(156)	(314)	(470)	(782)	(916)
Cash, beginning of the year	3,645	1,373	993	837	523	53	(730)
Cash, end of the year	**1,373**	**993**	**837**	**523**	**53**	**(730)**	**(1,645)**

APPENDIX A: SIGNIFICANT ACCOUNTING POLICIES

For planning purposes, the Council has presented its financial statements and pro-forma financial statements in accordance with Canadian generally accepted accounting principles for all reported years. Early adoption of the accounting treatment under Public Sector Accounting Standard relating to amounts currently reported as "Other Comprehensive Income" has been reclassified prospectively as "Contributions Received" for fiscal years 2011-2012 through 2015-2016.

The significant accounting policies are:

(a) Property, plant, and equipment

Property, plant, and equipment are recorded at cost and amortized on a straight-line basis over the estimated useful life of the assets as follows:

Furniture	5 years
Equipment	4 years
Leasehold improvements	lesser of term of lease or expected useful life

(b) Revenues

Funds received or receivable in respect of conformity assessment application fees and the annual portion of accreditation fees are recorded as deferred accreditation fees and are recognized as revenues in the year in which they are earned. Application fees are recognized as revenue upon completion of the assessment process and granting of accreditation. Annual fees are amortized to revenue on a straight line basis over the period to which the fee applies. Funds received or receivable in respect of conformity assessment audit and assessment fees are recognized as revenue at the time the related services are provided.

Royalties from sales of standards are recognized as revenue for the period in which the related sale occurred.

Recoveries of expenses in respect of an agreement for the operation of the World Trade Organization/North American Free Trade Agreement (WTO/NAFTA) Enquiry Point are recognized as revenue at the time the related expenses are incurred.

Restricted contributions from non-owners received for the hosting of international meetings or conferences are included as part of Other Comprehensive Income until such time that it is appropriate to recognize the amounts in income. Contributions received for the hosting of international meetings or conferences are recognized as revenue at the time the related expenses are incurred. The Council also administers a fund on behalf of an unrelated entity which is included as a current liability. Contributions received for this fund and its related expenditures are recorded directly to the liability.

(c) Expenses

Expenses are recognized when goods and services are received.

(d) Parliamentary appropriations

The Standards Council of Canada is mainly financed by the Government of Canada through parliamentary appropriation. The portion of appropriation used to fund operations is recognized as income in the year for which it is approved by Parliament. The portion of parliamentary appropriation used to purchase depreciable assets is recorded as deferred government funding on the balance sheet and is amortized on the same basis and over the same periods as the related assets.

(e) Vacation pay

Vacation pay is expensed as the benefit accrues to employees under their respective terms of employment. The liability for vacation pay is calculated at the salary levels in effect at the end of the year for all unused vacation pay benefits accruing to employees.

(f) Employee benefit plan

The Council sponsors an employee benefit plan through a third party provider (health, dental, life and long-term disability insurance). The Council's contributions to the plan are recorded at cost and charged to salaries and employee benefits expenses in the year incurred. They represent the Council's total obligation to the plan. The plan does not require the Council to make contributions for any future unfunded liabilities of the plan.

(g) Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. Although the plan is a defined benefit plan, it meets the definition of a multi-employer plan, which is accounted for as a defined contribution plan, as sufficient information is not available to account for it as a defined benefit plan. The Council's contributions to the plan are currently based on a multiple of the employee's required contributions, and may change over time depending on the experience of the Plan. These contributions represent the total pension obligations of the Council and are expensed during the year in which the services are rendered. The Council is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(h) Management estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. The useful life expectancy predictions for property, plant, and equipment and certain employee-related liabilities are the most significant items where estimates are used. Actual results could differ from management's best estimates as additional information becomes available in the future.

(i) Financial instruments – measurement and recognition

As required by Section 3855, the Council has classified cash as a financial asset held for trading and is measured at fair value. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities. Financial assets classified as loans and receivables and financial liabilities other than those held for trading are initially measured at fair value and subsequently measured at amortized cost.

(j) Future accounting changes

In December 2009, the Public Sector Accounting Board (PSAB) issued an amendment to the Introduction to Public Sector Accounting Standards of the PSA Handbook. This amendment eliminated the Government Business Type Organizations (GBTO) classification and entities currently classified as a GBTO are required to re-assess their classification. Under the revised introduction, the Council is classified as an Other Government Organization (OGO). As an OGO, the Council has determined the most appropriate basis of accounting to meet the needs of the users of its financial statements would be the standards issued by the Public Sector Accounting Board.

Beginning April 1, 2011, the financial statements of the Standards Council of Canada will be prepared in accordance with Canadian generally accepted accounting policies as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The Council has examined its accounting policies in the areas of accounts receivable and other financial instruments; work in progress; capital accounts, deferred revenues and deferred government funding and has determined that no accounting policy changes are required. Amounts currently reported as "Other Comprehensive Income" will be reclassified as "Contributions Received".

It is not expected that the transition to PSAS will have significant impact on the Council's accumulated surplus/ debt.