



Standards Council of Canada
Conseil canadien des normes



Canada First

Standards Council of Canada

Summary of Corporate Plan 2015-2016 to 2019-2020
Summary of Operating Budget for 2015-2016
Summary of Capital Budget for 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

To be a global leader driving prosperity and well-being for Canada through innovative standardization solutions.

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1. Executive Summary

Over the next five years, the Standards Council of Canada (SCC) is committed to doing more than ever before to provide value to Canada and seize opportunities to advance our nation's best interests, both in Canada and abroad.

This will take strong and focused leadership and teamwork. In the coming years, SCC will work even more closely with federal, provincial and territorial governments to support the priorities that will provide the greatest benefit to Canada. That means working diligently to break down trade barriers, improve labour mobility and facilitate harmonization between various Canadian jurisdictions. We will also collaborate with industry stakeholders to improve competitiveness, provide greater global market access, and facilitate Canadian innovation on the global stage. We will continue to engage with consumer and public interest groups to ensure we are delivering programs and services that are in the best interest of all Canadians. SCC will lead the charge to create a strategic framework that will identify standardization challenges, the cost of these challenges to Canadians, and the necessary plan to create an even stronger standardization network and a stronger, healthier and more prosperous nation.

SCC is a relatively small organization, but the possibilities for what it can do for the future of Canada are significant. SCC has the desire, ability and know-how to push forward in ambitious ways to strengthen Canada's standardization network. As we go forward, we will not remain content with, or be constrained by, how things were done in the past. There is now a broad consensus that Canada's standardization network needs to evolve in order to support economic development and trade while keeping the highest standards to protect the health and safety of Canadians.

To create more opportunities than ever before for Canada, SCC will focus on initiatives that advance the following vision and three strategic priorities:

VISION:

To be a global leader driving prosperity and well-being for Canada through innovative standardization solutions.

STRATEGIC PRIORITIES:

1. Value to Canada
2. International Leader
3. Innovation

Strategic Priority 1: Value to Canada

SCC continues to deliver value for Canada by developing and implementing innovative standardization solutions that promote trade, economic prosperity and protect the health and safety of Canadians.



Since 2013, SCC has doubled the number of accredited standards development organizations (SDOs) in Canada – from four to eight. This enables SCC to support the increased alignment of standards and help open the doors of trade between Canada, the United States and countries around the globe. It also provides an added measure of protection for Canadians by bringing these SDOs into an SCC-accredited standards development process.

SCC will continue to work with industry to minimize regulatory overlap within Canada and between Canada and the United States. In some sectors, joint Canada-U.S. standards have already removed significant regulatory burdens for business. But more work needs to be done. Through its participation in the Canada-U.S. Regulatory Cooperation Council (RCC), SCC will continue to reduce red tape for industry and increase economic growth, while still protecting the safety of Canadians.

The organization will also find ways to help government remove barriers to trade within our own borders. Even within Canada, varying provincial and territorial regulations and standards have led to the existence of internal trade barriers. These barriers result in chronic economic inefficiency and lost opportunities. They also increase costs for consumers and limit our choices. SCC will collaborate with provincial, territorial and federal governments to help to break down these internal trade barriers – barriers that harm our national economy and hurt Canadian businesses, workers and consumers.

SCC is currently helping to develop standards to address the impact of climate change in Canada's North – a key priority for the federal government and one that supports Canada's Economic Action Plan. As part of SCC's Northern Infrastructure Standardization Initiative (NISI) – with funding through the Government of Canada's *Clean Air Agenda* – the organization will complete the development of five National Standards of Canada (NSC) that will assist in the adaptation of northern infrastructure to changes in temperature and precipitation patterns. This will ensure the stability of existing and future infrastructure in northern communities and protect the safety of those who live there. It is just one of the many ways SCC is working collaboratively with governments to provide tangible solutions that improve the daily lives of Canadians, including those living in the North.

As SCC moves forward, we will do even more to advance Canada's economic well-being. We will continue to forge strong relationships with key economic sectors such as energy, electrical, and engineering to demonstrate how standards can help support their priorities and deliver greater value to Canada. In the coming years, the organization will reach out to other key industries to provide them with the opportunity to establish standardization priorities that better support their industry and our country. As part of its industry engagement, SCC will also develop a strategy to better address the standardization needs of small and medium-sized enterprises (SMEs), and more specifically to boost awareness and promote participation among SMEs with regard to standardization.



Strategic Priority 2: International Leader

SCC will assume its position as an international standardization leader to help open doors for Canadian industry and create more opportunities in the global marketplace. By supporting the negotiation of appropriate clauses on standards development and conformity assessment programs in international trade agreements such as the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and the Trans-Pacific Partnership (TPP), SCC is helping to reduce trade barriers. As a result, Canadian manufacturers will have increased market access for their products. With the federal government's long-term focus on promoting free trade, SCC will work to ensure standardization solutions play a key part in future trade agreements.

SCC will also leverage its position internationally and develop stronger partnerships with national standards bodies in Latin American, Asia and Europe. SCC is already working collaboratively with standards organizations in China, Peru, Colombia, Honduras and the Caribbean, sharing its expertise and knowledge to help create strong and modern standardization infrastructures to facilitate the trade of Canadian goods and services in these countries.

An active participant on international conformity assessment bodies such as the International Accreditation Forum (IAF) and the International Laboratory Accreditation Cooperation (ILAC), SCC also actively participates and holds a leadership position on ISO's CASCO - Committee on conformity assessment.

SCC is also leading the development of strategic plans for both the Pan American Standards Commission (COPANT), and the Pacific Area Standards Congress (PASC). SCC will strengthen these regional partnerships over the next five years to ensure that standards and conformity assessment programs are beneficial to Canadian interests.

On the international stage, the organization is committed to protecting Canada's interests in sectors of strategic significance to this country. Over the next five years, SCC will actively support and promote Canadian representation on international technical committees developing standards in sectors that are key to Canada's economic success and long-term well-being.

Our focus remains centered on providing a strong voice on international standardization committees that will bring the greatest benefit to Canada, as well as finding the experts with the right skills and knowledge to provide that voice.

Strategic Priority 3: Innovation

To provide greater opportunities for Canada, we will search for ways to create an organization and standardization network that is increasingly more strategic, efficient, and more vibrant than ever before. The organization will approach challenges as opportunities to demonstrate how standardization can make a difference in creating economic growth for Canada. There is much that can be achieved when all levels of Canada's standardization network are working together to enhance harmonization and value to Canadians. SCC is focused on ensuring that all members of the network work together to be more innovative and support Canada's strategic priorities.

The quick pace of industrial transformation in today's world demands that every Canadian asset be leveraged to create unique opportunities for enhancing Canada's competitiveness. SCC will remain nimble so that it can promote standardization solutions and conformity assessment programs that reflect the latest technologies. We will also play a role in government and industry initiatives that promote new and rapidly changing sectors to help bring those products and services to the global stage.

Fostering innovation within our own organization is also a priority for SCC, to make certain we deliver the level of service our stakeholders expect. The organization has instilled a culture of excellence through its high-performance teams, and is developing new processes to modernize its workplace and information systems.





Financial Summary

SCC is re-investing its accumulated reserves into its strategic investments and infrastructure. SCC will continue to selectively allocate funding to support initiatives that are in Canada's best interest and provide the greatest value for Canada.

SCC's operating budget for 2015-2016 will be \$ 21.1 M and its capital budget will be \$ 2.3 M, a total of \$ 23.4 M. The total appropriations from the Government of Canada in 2015-2016 are \$ 9.8 M. Revenue to be generated for 2015-2016 from operations, including accreditation services, SCC eStore, and innovative services is forecasted at \$ 9.6 M. The budget for 2015-2016 forecasts a deficit of \$ 1.7 M, which will be funded out of accumulated reserves as SCC rebalances its financial position to enable optimal delivery of its strategic priorities.

Key strategic investments included in the 2015-2016 spending amount of \$ 3.2 M, which will address targeted execution of SCC's priorities, are as follows:

Investment	Initiative
\$ 1.3 M	Canadian participation on priority international technical committees
\$ 1.0 M	Standardization solutions to support federal government priorities
\$ 577 K	Standards to adapt northern infrastructure to climate change
\$ 105 K	Industry engagement strategy
\$ 100 K	Research proposal to support the <i>Agreement on Internal Trade</i>
\$ 55 K	Standardization capacity-building
\$ 50 K	Innovative services (standardization roadmaps, contract management and advice)
\$ 50 K	Inventories of standards referenced in regulations in federal, provincial and territorial regulations

Strategic Risks

SCC's overall risks are annually determined as part of its corporate planning process.

The organization uses the international standard ISO 31000: *Risk management-Principles and Guidelines* to guide the risk management process, ensuring SCC has the right risk mitigation strategies in place. Corporate risks are linked directly to the organization's performance and closely monitored using SCC's corporate risk and performance reporting framework. For 2015-2016, key areas of risk include the following:

- Disciplined execution of SCC's strategic initiatives.
- Stakeholder engagement and associated reputational risk.
- Strategic international participation on ISO and IEC committees.
- Customer satisfaction.
- Internal risk controls, people and sound finance controls.
- Modernizing SCC's business architecture.

2. Operating Environment



SCC has made significant progress in strengthening Canada's standardization network and achieving unprecedented support from federal government departments and agencies. But as we look ahead to the next five years, we want to do even more and are confident that we possess the tools, the ability and the drive to accomplish this goal.

SCC continues to strengthen its relationships with the provinces and territories through its Provincial and Territorial Advisory Committee (PTAC), the National Public Safety Advisory Committee (NPSAC) and other regulatory advisory bodies. The organization has refined its relationships with SCC-accredited SDOs and other accredited bodies to build an even stronger standardization network for Canada. We have solidified our reputation – both nationally and internationally – as a standardization leader through our participation in international standards organizations such as the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) and through our role in assisting other regions in developing innovative strategic standardization plans. As an organization, we are already doing more than we've ever done before. But we aren't prepared to stop there. In the coming years, SCC plans to pursue an ambitious path that will propel the organization to a heightened level both on the global stage and here at home.



To determine the best path going forward, and ensure that we have the ability to advance the organization's corporate priorities and initiatives, SCC must take into account the environment that surrounds us, and the key national and global trends that will impact our success in the years to come. Understanding our operating environment will help to ensure the organization is on track to meet – and even exceed – the expectations of stakeholders and to help us lead a strong standardization network. To ensure Canada's standardization network is providing the greatest value to Canada and is creating new opportunities for the Canadian government and industry, SCC must continuously monitor how the following national and international factors may impact the delivery of our strategic priorities.

The value of standardization to Canada

Standardization and conformity assessment have long been proven to increase economic competition, innovation and growth. The positive impact standardization has is far-reaching – from boosting the economy to increasing domestic and international trade to protecting the environment and supporting healthcare. Standards are constantly shaping and supporting the public policy issues that matter most to Canada and to Canadians. SCC is already leading standardization activities that directly support the government's plan for a strong and competitive Canada, but in the years ahead we must do more to leverage standardization as a means to improve Canada's regulatory regime, create greater efficiencies, reduce duplication and improve access to global markets.

Federal and provincial/territorial regulators rely on national, regional and international standards as a way to support public policy and regulatory objectives. It is critical that they have access to the most effective and current standards in order to protect both Canada's economic health and its social well-being. To assist regulators in determining the most appropriate standards, SCC tracks and advises on the status of standards, codes, testing and certification requirements that are referenced in government regulations and identifies potential standardization solutions for the issues that face regulators.

Standards and accreditation services also play a vital role in helping industry ensure their products meet rapidly evolving regulatory requirements. This limits risk, enhances the marketability of products and increases Canadian competitiveness. As we go forward, SCC must ensure that the standardization priorities of industry are clearly identified in order to improve business' operations, as well as expand Canada's productivity and potential for growth. SCC must continue to pursue its ambitious plan to engage industry sectors that are key to Canada's competitiveness and align standardization priorities that promote our nation's economic and social well-being. Having already made significant progress building strong relationships with the oil and gas, and electrical and plumbing sectors in recent years, SCC will continue to engage other key industry sectors in an attempt to better support their priorities and the needs of small and medium-sized enterprises in particular.

The reality of doing business in today's global marketplace is that a "Canadian" product may not only contain components produced within our own borders, but could be made up of components produced on the other side of the globe. This complex global supply chain is particularly true for SMEs. Their products may be sold in multiple markets around the world, and as a result, they must meet various technical standards – across these multiple markets. In the coming years, SCC needs to do even more to support Canadian businesses in their attempt to ensure their products meet these varying standards to keep the doors of trade open to them and ensure Canada retains a competitive advantage.

Standardization supports Canada's economic agenda

To gain access to U.S. and other global markets, Canada must adhere to an ever-expanding and evolving array of standards and conformity assessment requirements.

As a trade-dependent nation, it is vital that Canadian companies adhere to international, regional and national standards and conformity assessment requirements in order to access these markets. Being standards makers and subsequently adopting international standards and other global deliverables enables a competitive advantage – the ultimate goal being one standard – one test – one global mark. To capitalize on economic opportunities in the years ahead and promote Canada's growth over the long-term, our standardization practices must therefore be optimized to work toward this goal.

Through support of agreements such as CETA, the *Canada-Korea Free Trade Agreement* and the *Trans-Pacific Partnership (TPP)*, SCC is already helping to align standards and certification requirements – reducing trade barriers and increasing investment opportunities for Canadian industries.

The Canada-U.S. RCC, in phase two of its action plan, has been supportive of the use of joint Canada-U.S. standards by federal regulators in both jurisdictions to support the alignment of regulations in place in the two countries. SCC is supporting the development of joint Canada-U.S. standards through a pilot project to develop a standard for a new product called the "balloon-type back-water valve." Lessons learned from the pilot project will help industry on both sides of the border to more cost-effectively develop joint standards. SCC will pursue other ambitious initiatives in the future to promote the alignment of standards, such as a plan to work with Transport Canada in the development of a binational standard for lifejackets and immersion suits.

The cooperation agreement signed between the European Committee for Standardization (CEN)/ European Committee for Electrotechnical Standardization (CENELEC) and SCC will also ease the passage of CETA and enable Canadians to participate in European standards development activities where Canadian interests are at stake.

Reducing barriers to trade

Duplicative regulatory requirements are an impediment to trade – both within Canada, as well as between Canada and other countries, such as the United States. Differences in standards referenced in regulations may, in fact, create marketplace obstacles and cost Canadian consumers millions of dollars each year. To reduce these obstacles, industry sectors such as plumbing and heating and hoisting and rigging, are working – with SCC's support – to identify instances where standards are not aligned and are resulting in additional costs and time delays for Canadian business. The alignment of standards between jurisdictions will reduce government red tape and facilitate economic growth while upholding public safety objectives.

Whether it is removing barriers between neighboring countries such as Canada and the United States, or facilitating trade across Canadian jurisdictions, aligning standards plays a crucial role in improving the competitiveness of Canadian firms.



Within Canada's borders, the alignment of standards is just as critical to removing barriers to interprovincial trade. In support of the federal government's commitment to reduce internal barriers to trade under the renewal of the *Agreement on Internal Trade* (AIT), SCC has begun a three-year review to identify standards referenced in provincial and territorial legislation that may impede trade in key industry sectors. SCC will continue its work to break down these barriers within our own country and this research is just one of the many ways SCC plans to deliver standardization solutions that support government priorities and improve Canadians' quality of life.

Leading internationally

Increasingly, emerging economies are looking to participate in international standards development as a way to assert influence in the global marketplace and promote their own domestic policy goals and objectives. The growing presence of influential players such as China, India, Brazil and South Africa in the development of international standards comes at a time when Canada must attract more skilled technical experts to participate in the international system.

To ensure effective Canadian representation at international forums such as those of ISO and IEC, it is critical that Canada continues to recruit new experts to become standards makers to maintain Canada's leadership role on key international technical committees. This will provide Canada with a stronger voice in the international arena and ensure our nation's interests are better served. Changes in SCC's delegate travel subsidy program are already helping to increase the number of Canadian delegates and experts taking part in face-to-face international standardization meetings and will also mean a shift in focus and funding to areas of strategic national interest.

SCC values its Canadian experts

Canada's prosperity relies heavily on the efforts of world-class experts who dedicate their time and expertise to ensure Canadian perspectives are injected into national, regional and international standardization spheres. Integral to SCC's ability to carry out its mission and mandate, it is through these experts that marketplace rules are influenced to advance Canada's economic and social well-being. With SCC's support, these volunteers play a significant role in ensuring that through standardization, programs and services are delivered to the benefit of all Canadians.

SCC values and recognizes its volunteers as an essential part of SCC's team. SCC will continue to look at ways to improve its operating model and related infrastructure to further facilitate volunteer engagement in standardization within Canada, regionally and internationally.

The number of uniquely Canadian standards has consistently decreased over recent years. This move toward international alignment means that SCC must focus on making the adoption of international standards (and other technical documents) more efficient and timely. Making the process more streamlined will support Canadian industries by reducing barriers to trade and easing the entry of products and services into foreign and domestic markets.

Focus on innovation

Generating and commercializing new technologies is fundamental to a country's economic health, which is why countries around the world are looking to innovation as a means of promoting long-term economic growth. Canada's economic health depends on the creation and success of globally competitive businesses that innovate and create high-quality jobs. Going forward, SCC is committed to working with government and industry to ensure that Canada remains competitive in the development of new and emerging technologies.

SCC is also committed to fostering innovation and innovative solutions both within our own organization, and within Canada's standardization network. As a knowledge-based organization, SCC's success hinges on its ability to maintain a skilled and engaged workforce. It also needs efficient and modern tools and processes to better respond to market trends and effectively lead Canada's standardization network. Through training, development and succession planning for critical positions, SCC will build a stronger workforce to better support the organization in the years to come. SCC will also continue to renew its electronic platforms, to meet business requirements across all operations of the organization to better serve our stakeholders.

New technologies, and new social realities, are speeding up the pace of standards development and often require multiple industry sectors in the development of standards. More and more, as technologies become more complex, the creation of standards depends on the contribution of experts in a variety of areas. In the coming years, SCC plans to continue to encourage collaboration throughout the standardization network and support areas where the organization can help create opportunities for Canada, provide the greatest value to enhance Canada's competitiveness and protect the well-being of all Canadians.

Looking towards 2020

In the years ahead, doing business in the global marketplace will continue to grow ever-more challenging. Countries must support the participation of technical experts on international standardization committees to remain competitive. SCC is poised to ensure that Canada continues to be a leader on the international stage.

On the national front, SCC will remain focused on promoting standardization as an essential tool for government and industry. Standards can help support their risk management strategies, break down internal trade barriers and, ultimately, strengthen Canada's regulatory regime.

Key facts and figures

To understand the standardization landscape, SCC closely monitors its database of facts and figures that are continuously updated and have been compiled from: SCC-accredited SDO standards catalogues; data published by ISO, IEC and the International Telecommunications Union (ITU); and SCC's own database of international technical committee participants. Below are some examples of what is monitored in this database.

Figure 4: Key Facts and Figures

KEY FACTS AND FIGURES	AS OF MARCH 31, 2012	AS OF MARCH 31, 2013	AS OF MARCH 31, 2014	TREND	WHAT DOES THIS MEAN?
Number of Canadian standards	2973	2940	2901	▼	The need for uniquely Canadian standards continues to decline as Canada and the world moves towards more global alignment. SCC must keep pace with this global shift by working to more quickly influence and adopt international standards.
Number of standards maintained by key international standardization organizations (ISO, IEC, ITU)	28,869	30,358	30,334	▲	With global alignment, there has been an increase in standards being maintained by international organizations. International standards lessen trade barriers easing entry into international markets.
Number of NSCs approved by SCC	177	143	116	▼	SCC must continuously improve its processes to more efficiently adopt international standards, to ensure Canada's competitive edge on the global stage.
Number of Canadian volunteer members participating on international standardization committees	2619	2628	2849	▲	To effectively influence marketplace rules to benefit Canada, SCC must continue to attract and retain Canadian volunteers, and must strategically target the committees on which these volunteers participate.

3. Strategic Priorities



The benefits of standardization are all around us. Standards continuously work behind the scenes to enhance Canada's economy and safeguard its citizens. Everything SCC does is in support of its mandate to lead a strong standardization network that protects consumers, promotes domestic and international trade, supports sustainable development and advances our national economy. As the organization moves forward, it does so with the desire and commitment to do even more to resolve any obstacles and ensure Canada's standardization network is stronger than ever before. To accomplish this goal, SCC's actions from 2015-2016 to 2019-2020 will adhere to the following vision statement and three strategic priorities:

VISION:

To be a global leader driving prosperity and well-being for Canada through innovative standardization solutions.

STRATEGIC PRIORITIES:

1. Value to Canada
2. International Leader
3. Innovation

SCC has increased focus in these priority areas, has implemented a renewed organizational structure and is improving its business infrastructure to further strengthen both the organization as well as Canada's standardization network. SCC has also further defined its performance measurement system to track its accomplishments in support of its three strategic priorities. The performance thresholds identified have been determined based on statistics, case study baselines, and ongoing tracking and analysis of trends through the organization's corporate risk and performance framework.

A stronger standardization network benefits all Canadians. In the October 16, 2013, Speech from the Throne, entitled, *Seizing Canada's Moment - Prosperity and Opportunity in an Uncertain World*, the Government of Canada outlined its priorities going forward. From protecting the Canadian consumer and Canada's North, to supporting Canada's trade agenda, to strengthening Canada's regulatory regime, SCC's activities are aligned to support Canada's priorities. Also in 2013, SCC received a Letter of Priorities from the Minister of Industry. The direction received in the letter is consistent with the three strategic priorities and supporting initiatives as outlined in this Corporate Plan.

Strategic Priority 1: Value to Canada

To deliver even greater value to Canada, SCC will focus on developing standardization solutions that directly benefit the sectors that matter most to Canada and its economy.

The organization remains committed to helping to enhance Canadians' quality of life and drive innovation and economic performance nationally, regionally and internationally. To ensure that standardization plays a prominent and permanent role in the strategies of government and industry, SCC will continue to promote the benefits of standardization and facilitate ongoing collaboration between all those involved in Canada's standardization network.

Strategic Outcome:

SCC has developed and implemented a highly competitive agenda incorporating government and industry priorities that will benefit the economic and social well-being of Canada. SCC has capitalized on opportunities to deliver standardization solutions that align national priorities with global initiatives, both regionally and internationally, resulting in growth and increased economic success for Canada.

OBJECTIVE	ACTION	PLAN
Standardization solutions for national priorities	SCC will work with government and industry sectors to ensure standardization solutions focus squarely on national priorities.	<ul style="list-style-type: none"> • Address internal barriers to trade • Promote cooperation between provinces and territories • Protect Canada's North • Standardization solutions for national priorities
Industry engagement strategy	SCC will engage with targeted industry sectors, consumer and public interest groups, to develop standardization solutions that reflect government priorities and engage SMEs.	<ul style="list-style-type: none"> • Industry engagement
Robust and sustainable Canadian participation and funding model	SCC will work with industry sectors to increase both participation and funding in order to boost Canada's influence on technical committees of strategic importance to Canada.	<ul style="list-style-type: none"> • Canadian participation funding model

Plan

Address internal barriers to trade

Breaking down long-standing barriers to trade that impede Canadian businesses conducting business both within Canada and abroad is a top priority.

In order to remove internal trade barriers, the Government of Canada is committed to modernizing the Agreement on Internal Trade (AIT). SCC is supporting this commitment by working with Industry Canada on a three-year research project to address data gaps on internal trade barriers and standards alignment within Canada. The project will identify the duplicative and overlapping standards, testing, inspection and certification requirements referenced in federal, provincial and territorial regulations that have a negative impact on internal trade in select industries. In the first year, SCC will identify standards that impede trade on select products in: industrial sectors using cranes, the heating and plumbing sector, and emerging regulatory sectors.

In each of the following two years, SCC will identify products in additional industry sectors.

Promote cooperation between provinces and territories

To promote cooperation and communication between Canada's provinces and territories, SCC will work with PTAC to ensure that provincial/territorial standardization priorities are identified and supported.

SCC will complete an inventory of standards referenced in provincial and territorial regulations for 10 provinces and territories by the end of 2015-2016. This inventory will be a significant step toward reducing internal trade barriers through enhanced coordination across Canada.

Protect Canada's North

Protecting Canada's North is a priority for the Government of Canada and through NISI, SCC will significantly improve quality of life and safety in Northern communities.

Under NISI, the fifth of five standards will be completed by the end of fiscal year 2017 to help mitigate the need for expensive retrofits and prolong the usability of critical Northern infrastructure. The standards cover permafrost management of new and existing buildings, snow load management, community drainage plans and soil characterization.



A Northern Advisory Committee (NAC) comprised of Assistant Deputy Ministers and Directors from the Governments of Yukon, Northwest Territories, Nunavut and the regional government of Nunavik was created to support NISI. The NAC has confirmed their strong support for the continuation SCC's work and identified a number of challenges associated with other categories of critical infrastructure urgently requiring standardization solutions.

SCC will continue its engagement with, and support for, the NAC, in accordance with the Government of Canada's commitment to the North.

Standardization solutions for national priorities

To effectively support government regulations and help keep Canadians safe, SCC must ensure standards are constantly evolving to keep pace with technological and commercial advancements.

To do this, SCC will continue to monitor standards regularly to ensure they remain effective. There are approximately 5000 references to standards in Canadian regulations and SCC continues to work with government departments and agencies to monitor these standards. SCC will continue to assist the federal government to develop solutions to ensure standards referenced in regulations are both current and effective.

As Chair of the ADM Committee on Standardization, SCC will work with key federal departments to identify the government's strategic standardization priorities to assess how standardization can do even more to support these priorities. SCC will work with Environment Canada to identify solutions for 10 standards on petroleum storage tanks referenced in government regulations. The organization has already begun work with Transport Canada to develop a binational standard (U.S. and Canada) for lifejackets and immersion suits, and has signed a Memorandum of Understanding (MOU) with Health Canada to manage the delivery of a new NSC limiting volatile organic compounds (VOC) emissions from composite wood products used in residential building materials.

Industry engagement

SCC has implemented an ambitious outreach strategy to ensure key industry sectors are aware of the benefits of standardization and will continue to provide innovative standardization solutions that address the needs of these sectors and increase their participation in funding of standardization activities.

SCC has developed a framework to help identify standardization gaps and set priorities for other industry sectors to establish even greater industry support in the coming years.

SCC has completed research on standards referenced in Canadian regulations for the hoisting and rigging industry and will continue refining project concepts and delivering standardization solutions to support the priorities of the energy and electrical engineering industry (i.e., electric utilities, electrical and electronic manufacturers). Going forward, the organization will target additional industry sectors that are important to Canada's economy to address standardization gaps and implement standardization solutions for other areas of strategic importance.

SCC will also develop an engagement strategy to better address the standardization needs of SMEs, and more specifically to boost awareness and promote participation among SMEs with regard to standardization.

Canadian participation funding model

As part of its industry engagement outreach, over the next five years, SCC is committed to developing a funding model to increase both the participation of key economic sectors and their funding support for standardization activities to further boost Canada's investment and influence in shaping marketplace rules on the global stage.

How Measured

PLAN	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Address internal barriers to trade					
AIT research project: Findings on internal trade barriers	Internal trade barriers quantified for product(s) selected in three industry sectors to support and inform Canada's policy decisions in reducing internal barriers to trade.	Internal trade barriers quantified for product(s) selected in an additional three industry sectors to support and inform Canada's policy decisions in reducing internal barriers to trade.			
Promote cooperation between provinces and territories					
Inventories developed for provinces and territories that detail standards referenced in provincial and territorial regulations	10	5 updated	5 updated	5 updated	5 updated
Protect Canada's North					
NISI	5 th NSC 50% complete for first phase of NISI	1st phase of NISI complete			
Standardization solutions for national priorities					
Provide standardization solutions (standards, road maps, contract management) for government and industry use	10	10	10	10	10
Industry engagement					
Year-over-year increase	Baseline industry investment	2% increase on industry investment	2.5% increase in industry investment	3% increase in industry investment	3.5% increase in industry investment

Strategic Priority 2: International Leader

Canada's long-term economic prosperity depends on its ability to leverage opportunities in the global market and secure a competitive advantage for Canadian companies.

A strong Canadian voice within key international standardization spheres will ensure Canada remains a global leader in the years to come and will help to shape marketplace rules in support of our nation's interests. SCC remains focused on developing a contingent of qualified and knowledgeable Canadian experts to inject Canadian perspectives in strategic standardization areas that will create increased opportunities for Canada.

SCC will continue to streamline and improve standards development activities and national adoptions and develop state-of-the-art standardization solutions that will have a significant benefit for Canada.

Strategic Outcome:

Canada is recognized as a standardization leader and an essential player on the global stage, strategically positioning itself to secure a competitive advantage for Canada. Canadian companies and stakeholders help shape marketplace rules that directly and positively affect their ability to compete globally.

OBJECTIVE	ACTION	PLAN
Canadian interests aligned regionally and internationally	SCC will bring Canada's strategic plans and technological advances to the global stage to shape global marketplace rules that benefit Canadians.	<ul style="list-style-type: none"> • Bringing Canadian innovation to the global stage • Canadians as standards makers • Trade opportunities for Canada
One standard-one test-one mark accepted everywhere	SCC will lead the charge to influence and adopt international standards and conformity assessment practices that align standardization both internally and internationally to remove trade barriers and amplify Canada's competitive edge.	<ul style="list-style-type: none"> • Accelerate adoptions of international standards
Canadian leadership of regional standardization plans – COPANT, PASC	SCC will assist other regions in developing innovative strategic standardization plans.	<ul style="list-style-type: none"> • Regional leadership for COPANT and PASC



Plan

Bring Canadian innovation to the global stage

Countries around the world are looking to innovation as a means to promote long-term economic growth.

To ensure Canada remains competitive, SCC is developing standardization solutions and conformity assessment programs to help secure Canada's place as an international leader in areas where technological advancements are taking place. In Canada's North, SCC is already developing standards to adapt northern infrastructure to climate change and plans to bring this technological advancement to the global stage, steering marketplace rules for a variety of jurisdictions and cultures across the North.

Canadians as standards makers

As Canada's standardization leader, SCC must ensure it has the ability to influence and shape the outcome of international standards in areas that matter most to Canada.

To do this, SCC has developed clear roles with more flexibility for Canadian experts to participate, and has an ambitious engagement strategy to attract and recruit the best and the brightest Canadian subject matter experts who will lead and participate in targeted technical committees that are of strategic importance to Canada.

Trade opportunities for Canada

In support of *Canada's Global Markets Action Plan*, SCC continues to help increase trade opportunities for Canada by providing standardization policy advice on standardization-related components of international free trade agreements such as CETA and TPP.

SCC's contribution to these agreements helps reduce technical barriers to trade and align standards with regional trading blocs.

According to a value proposition from the Canadian Institute of Plumbing & Heating, the total cost of product testing and certification compliance for the North American plumbing and heating industry is between \$3.2 and \$4.5 billion per year, with many instances of duplicate testing and certification requirements to meet the different federal and provincial standards that govern many of these products¹. The additional cost to Canadian consumers attributed to duplicate certification and testing is in the range of \$120 to \$150 million per year.

SCC is therefore creating opportunities to increase trade between Canada and the United States through its participation in the Canada-U.S. RCC and is working to develop a binational plumbing industry standard for balloon-type backwater valve. The organization is also working with the Canadian Hoisting & Rigging Safety Council (CHRSC) to develop a seed document for the Qualification and Proficiency of Rigging Personnel that will be developed as a NSC aligned with the United States.

The organization is also creating future trade opportunities for Canada by assisting emerging countries, such as China, with standardization-related capacity-building projects.

Accelerate international adoptions

As the need for uniquely Canadian standards continues to decline, SCC is committed to improving the process for adopting international standards.

More timely adoptions will provide a competitive business advantage for Canadian businesses by reducing barriers to trade and easing the entry of products and services into new markets. The renewed process will also help address the duplication of effort that Canadian experts are faced with when participating both on the international stage as well as nationally.

Regional leadership

To ensure regional alignment with Canadian priorities and to create trade opportunities for Canadian businesses, SCC will continue to provide strategic leadership in the development of strategic standardization plans for COPANT and PASC.

In his role as ISO Vice-President (Policy), SCC's CEO is leading the development of ISO's strategic plan 2016-2020.

Through leadership positions on, and involvement in key standardization committees, Canada can have considerable input into governance and policy at the international level, which enables Canadians to impact marketplace rules that improve Canada's ability to compete globally.

¹ A Value Proposition from the Canadian Institute of Plumbing & Heating to Facilitate the Harmonization of Market Entry Required Standards and Certification Schemes Covering Selected Plumbing & HVACR Products, *Economic Impact Assessment*, 2012

How Measured					
PLAN	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Bringing Canadian innovation to the global stage					
Year-over-year increase in the success rate of new work item proposals approved by Canada	2%	2.5%	3%	3.5%	4%
Canadians as standards makers					
Year-over-year increase in number of new Canadian experts participating at ISO and IEC	2%	2.5%	3%	3.5%	4%
Year-over-year increase in number of Canadian experts in leadership positions on ISO/IEC committees	1.5%	2%	2.5%	2.5%	2.5%
Canada's voting submission rate in ISO and IEC technical standards development	95%	95.5%	96%	96.5%	97%
Percentage of Canadian policy decisions, in the majority, that are accepted at ISO and IEC	90%	91%	92%	93%	94%
Trade opportunities for Canada					
Year-over-year increase in joint Canada-U.S. national standards facilitated and supported by SCC	2	2	2	2	2
Accelerate adoptions of international standards					
Year-over-year increase in number of national adoptions or international or regional standards or international documents	2%	2.5%	3%	3.5%	4%

Strategic Priority 3: Innovation

SCC must position Canada's standardization network to deliver value to government, industry and consumers. Wherever we look in the economy, Canadians and business are adopting innovative practices that rely on an efficient and effective standardization infrastructure.

All players in Canada's standardization network must be aligned strategically to make it easy to use standardization solutions. Supporting a more innovative economy means leading the broad standardization network in an effort to remove structural impediments that hinder Canada's economic growth and enable Canadians to leverage every possible strategic advantage. SCC will assume its role in leading all facets of Canada's standardization network to carry out this important responsibility, and related strategic agenda leading to a modernized and world class standardization framework for Canada.

With this rapid pace of change, the network must remain sufficiently nimble to respond to shifting national needs and priorities. To do this, SCC will foster a stakeholder-driven, harmonized, and responsive standardization network that supports the needs of Canadians and entrenches the value of standardization.

The organization will also focus on creating an even stronger and more innovative corporate culture – led by a highly-skilled and involved workforce that engages stakeholders and delivers continued excellence and value to clients.

Strategic Outcome:

Canada possesses an adaptive, responsive and innovative standardization network that works collaboratively under SCC's leadership. The organization provides a high performance, skilled environment that is aligned in support of Canada's key standardization priorities and positioned to seize opportunities that advance SCC as an international leader.

OBJECTIVE	ACTION	PLAN
Position Canada's standardization network to maximize value for Canada	SCC will continue to work with key stakeholders to strengthen Canada's standardization network to reduce inconsistencies in the network, improve regulatory oversight, and align standards used across jurisdictions.	<ul style="list-style-type: none"> Position Canada's national standardization network
Culture of Excellence and Innovation	SCC will focus on staff development and training, and on succession planning for key positions within the organization.	<ul style="list-style-type: none"> Culture of excellence
Excellence in governance and fiscal management	SCC continues to strengthen its governance and fiscal management processes.	<ul style="list-style-type: none"> Governance and fiscal management
High-performance customer-focused teams providing quality and value-added service to Canadians	SCC will cultivate a culture that provides excellence and value to its customers and stakeholders.	<ul style="list-style-type: none"> Business modernization Accreditation services
Connecting with stakeholders, leveraging technological tools	SCC will leverage its technological tools to enhance communication and engagement with stakeholders.	<ul style="list-style-type: none"> Stakeholder engagement



Plan

Position Canada's national standardization network

SCC leads the work of Canada's standardization network. This includes the development, monitoring, conformity assessment and validation of standardization activities. The organization facilitates the participation of approximately 2900 Canadian experts on international technical committees of importance to Canada and has accredited about 500 organizations, including eight SDOs.

In order to respond to global market needs to maximize value for Canada, each member of Canada's standardization network must be properly aligned with the social, environmental, technological, economic and policy objectives of Canada.

SCC will continue to work with key stakeholders to strengthen Canada's standardization network to reduce inconsistencies in the network, improve regulatory oversight, and align standards use across jurisdictions.

Culture of excellence

Optimizing Canada's standardization network is very much a team effort. As the leader of Canada's standardization network, SCC will engage and involve all facets of Canada's standardization network in supporting Canada's strategic priorities, to ensure continuous collaboration and communication and to build a stronger standardization network.

The organization relies heavily on a high-performance team of technical and knowledge-based positions. As SCC continues to roll out its human resources plan, it will focus on staff development and training and on succession planning for all critical positions to ensure it maintains the expert staff necessary to fill its technical and knowledge-based positions. SCC will also implement an action plan to improve employee engagement in the areas of professional development, performance management and communications.

When SCC's current lease expires in July 2015, the organization has secured a lower cost location that offers an open-space on a single floor that is consistent with Workplace 2.0 standards. This new space will include significant improvements such as better lighting, airflow and sightlines, reduced carbon footprint, including a reduction in the number of closed offices, and the potential for improved staff collaboration through flexible working and meeting places.

Business modernization

SCC continues to implement a renewed IM/IT infrastructure and modernized policies and procedures within its quality management system to enable the organization to expand its outreach and better meet the needs of customers and key stakeholders.

A user-friendly recruitment tool has been added to SCC's website to allow potential Canadian experts to easily identify areas of interest where Canada currently participates in ISO and the IEC.

Accreditation services

This past year, SCC successfully completed the re-engineering of its quality management system and a peer assessment of two key accreditation programs. SCC will continue its leading role in conformity assessment on the international stage and focus its programming in areas that are crucial to Canada's economic and social well-being.

Governance and fiscal management

SCC continues to improve its financial position through strict cost-containment measures, streamlined procurement processes, improved performance tracking and maximized efficiencies.

Going forward, SCC's financial plan ensures that risk is carefully managed and all available assets are utilized to maximum capacity with an ongoing focus on retaining the highest level of governance.

Stakeholder engagement

To increase communication and provide greater transparency, SCC will continue its outreach efforts with government, industry, consumer groups and standardization stakeholders.

How Measured					
PLAN	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Culture of excellence					
Employee engagement	71%	Within 1 pt of global benchmark	Achieve global benchmark	Above global benchmark	Above global benchmark
Staff attrition - Voluntary	Maintain less than 5%	Maintain less than 5%	Maintain less than 5%	Maintain less than 5%	Maintain less than 5%
Yearly investment in staff training and development aligned with industry benchmark	1.5% of base salary	1.5% of base salary	1.5% of base salary	1.5% of base salary	1.5% of base salary
Business modernization					
QMS modernization	100% complete	Maintain and update regularly			
IM/IT modernization	80% complete	100% complete	Maintain and update regularly	Maintain and update regularly	Maintain and update regularly
Accreditation services					
Customer satisfaction	80%	Maintain or exceed previous year's customer satisfaction rate	Maintain or exceed previous year's customer satisfaction rate	Maintain or exceed previous year's customer satisfaction rate	Maintain or exceed previous year's customer satisfaction rate
SCC is recognized as global leader in conformity assessment	Successfully complete international peer evaluation by APLAC	-	-	Successfully complete international peer evaluation	-
Stakeholder engagement					
Canadian Experts/ Membership satisfaction rate	Develop Baseline	Exceed previous year's membership satisfaction rate			

4. Performance and Risk



SCC has developed an integrated approach to performance and risk. This approach, based on current best practices, links strategic priorities, risk tolerances and performance perspectives in order to monitor areas that may impede SCC from fulfilling its mandate.

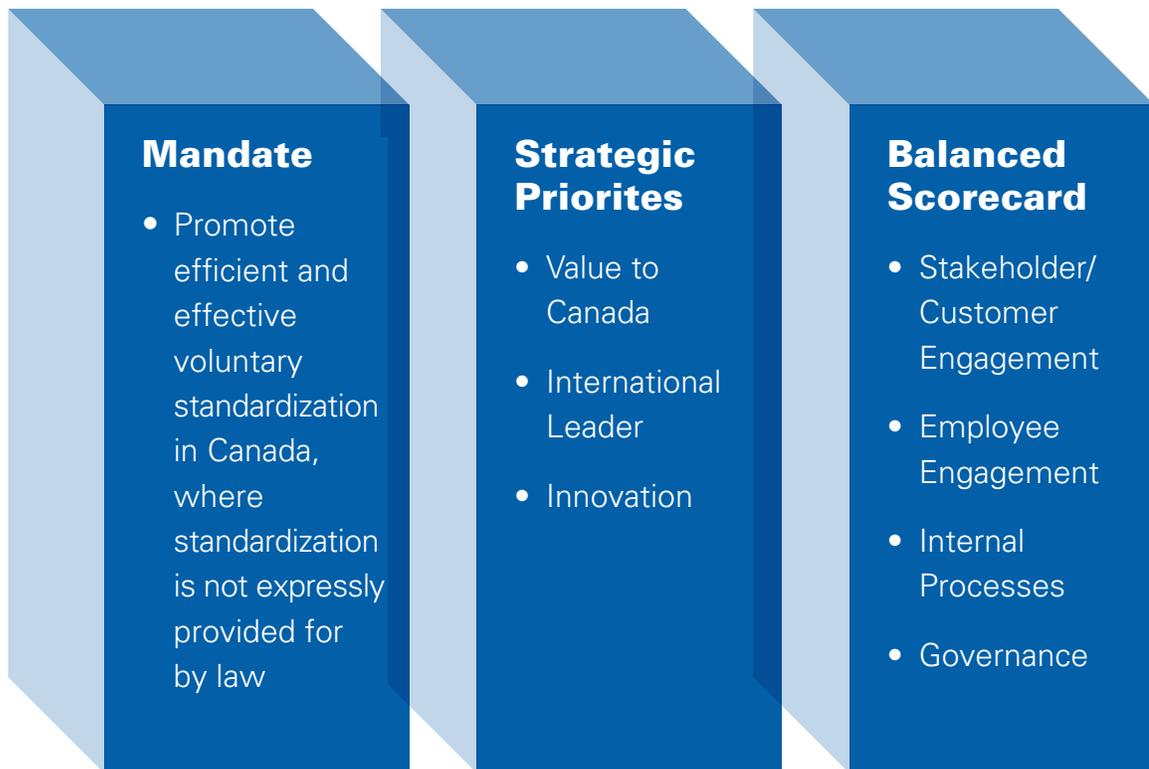
4.1 Risk Management

SCC's overall risks are annually determined as part of its corporate planning process. The organization uses the international standard ISO 31000, *Risk Management—Principles and Guidelines* to guide its risk management process, ensuring SCC has the right risk mitigation strategies in place.

Corporate risks are linked directly to the organization's performance. These indicators are closely monitored and updated using SCC's corporate risk and performance reporting framework. This framework is updated for management monthly and twice annually reported to governing Council. As part of SCC's risk management plan, the organization also reviews salient quarterly financial impacts, with a view to assessing these impacts against ongoing corporate risk areas.

4.2 Measuring Performance and Risk

In fulfilling its mandate, SCC's strategic priorities are directly aligned with government public policy priorities, and measured using a balanced scorecard approach.



SCC will measure its success within the four areas of Stakeholder/Customer Engagement, Employee Engagement, Internal Processes and Governance, aligned in support of, and to assess risk, in relation to SCC's three strategic priorities.

STAKEHOLDER/CUSTOMER ENGAGEMENT:

SCC works with government, industry and customers to identify and confirm Canada's standardization priorities for critical sectors of Canada's economy. SCC engages its stakeholders and customers by providing value-added standardization solutions.

- **VALUE TO CANADA**
- **INTERNATIONAL LEADER**

EMPLOYEE ENGAGEMENT:

SCC requires a highly technical, skilled and knowledgeable workforce to meet stakeholder and customer expectations. SCC strives to provide staff with access to training and to professional development opportunities so it can meet changing requirements and effectively deliver on its mandate.

- **INNOVATION**

INTERNAL PROCESSES:

SCC's QMS and IM/IT infrastructure are being modernized to streamline processes and ensure the necessary support is in place to meet stakeholder and customer needs.

- **INTERNATIONAL LEADER**
- **INNOVATION**

GOVERNANCE:

As the leader of Canada's standardization network and as a federal Crown corporation, SCC is optimizing its funding for effective delivery of its mandate. SCC coordinates and oversees Canada's representation on both ISO and IEC committees in areas that are important to Canada.

- **VALUE TO CANADA**
- **INTERNATIONAL LEADER**



To ensure a strengthened risk mitigation strategy in support of its ongoing and future strategic initiatives, SCC is increasingly looking to optimize organizational risk efforts and to maximize opportunities to link risk and performance. Continually linking performance and risk metrics provides a more coordinated accountability structure for better managing risk alongside corporate performance. As an organization that innovates, SCC must not only effectively mitigate organizational risk, but also seize opportunities at the other end of the risk spectrum.

For 2015-2016, SCC's key areas of strategic focus and risk mitigation include:

- **Disciplined execution of SCC's strategic initiatives.** SCC is skilled in making small amounts of funding equate to tangible results. However, in order to present itself as a leader on the global stage and excel as one of the top standardization organizations, SCC tracks the performance of each initiative and monitors its current resources to be aware of any impediments to delivering its objectives in order to mitigate risk.
- **Stakeholder engagement and associated reputational risk.** In order to fulfill its mandate and lead Canada's standardization network, SCC protects its reputation to ensure it demonstrates value to its stakeholders. Through open and transparent communication and ongoing consultation with stakeholders from both government and industry, SCC ensures that its strategic goals are aligned with Canada's health and safety objectives and support Canadian competitiveness. SCC continues to align its work directly with the priorities of the Government of Canada to demonstrate value.
- **Strategic international participation on ISO and IEC committees.** SCC ensures Canada is represented by the right expert at regional and international standardization committee meetings to promote Canadian competitiveness. Through its member program, SCC is working to attract, train and retain experts to participate on committees of strategic importance to Canada. SCC has criteria in place to measure both participation and influence on these committees in order to ensure Canadian interests are considered in shaping marketplace rules.
- **Customer satisfaction.** SCC's accreditation services continuously work to meet marketplace demands and support regulatory requirements in order to remain competitive. SCC is working to improve its programs and service offerings. To remain competitive and mitigate risk, SCC is focused on improving customer satisfaction in the areas of quality, timeliness, and cost effectiveness of services.
- **Internal risk controls, people and sound finance controls.** SCC continuously improves its financial position through strict cost-containment measures, streamlined procurement processes, improved performance tracking and maximized efficiencies to create a firm foundation to advance SCC's strategic initiatives.
- **Modernized business architecture.** SCC is updating its business processes and tools to meet mandated objectives and respond to ever-evolving customer requirements. This is also essential to support the requirements needed to maintain SCC's status as an international accreditor.

ALIGNMENT TO STRATEGIC PRIORITY	PERSPECTIVE	INDICATORS	PERFORMANCE THRESHOLD		
			Low	SCC's risk-appetite medium	High
1. VALUE TO CANADA	Governance	Council succession	13 council members (full compliment)	between 12 and 8 Council members	less than 8 council members
		Optimize SCC funding and equity position (reserve)	accumulated surplus exceeds internal reserve for operations but is not greater than annual amount of appropriations	accumulated surplus exceeds internal reserve for operations and is greater than annual amount of appropriations	accumulated surplus less than internal reserve for operations
	Stakeholder / Customer Engagement	Effective engagement with federal partners	7 of 8 engaged	6 of 8 engaged	4 of 8 engaged
		Effective engagement with targeted industry sectors	more than 3 targeted industry sectors engaged	between 2 and 3 targeted industry sectors engaged	below 2 industry sectors engaged
		Provide standardization solutions for government and industry use in Canada	more than 20	between 20 and 10	less than 10
	2. INTERNATIONAL LEADER	Internal Processes	Audit Resolution	greater than 85% resolution of internal audit findings within 6 months of audit	between 70% and 85% resolution of internal audit findings within 6 months of audit
Governance			Percentage of Canadian policy decisions that are accepted at ISO and IEC	between 100% and 79%	between 79% and 65%
		Canada's voting submission rate in ISO and IEC standards development	between 100% and 79%	between 79% and 65%	less than 65%
3. INNOVATION	Internal processes	Percentage of total IM/IT modernization program completed	greater than 95%	between 80% and 95%	less than 80%
		Percentage of quality management system (QMS) up-to-date	greater than 95%	between 80% and 95%	less than 80%
	Stakeholder / Customer Engagement	Percentage of Accreditation Services branch's customers satisfied	greater than or equal to 80%	between 75% and 79%	less than 75%
	Employee Engagement	Percentage of employees engaged	greater than or equal to 75%	between 74% and 69%	less than 70%
		Staff attrition rate (voluntary)	below 5%	between 6% and 10%	greater than 10%



5. Financial Plan



5.1 Overview

SCC remains focused on providing value and being cost-effective in all areas of its operations including its strategic investments, as well as implementing a modernized information management/information technology (IM-IT) platform and quality management system that will provide the tools necessary to more effectively carry out the organization's activities. The net result will transform SCC's manner of operation. While reducing administrative costs, the impact of the changes will be to increase effectiveness and efficiency of the current processes. Additionally, SCC has tightened its reporting framework and metrics in order to effectively communicate key result areas.

SCC is re-investing its accumulated reserves from prior years into its strategic investments and infrastructure to advance SCC's key initiatives. SCC has reorganized to better accommodate these initiatives, and will utilize some of its accumulated reserves, along with planned revenues to support strategic priorities as outlined in this plan.

SCC's corporate plan financial statements and its capital budget are developed based on planned operating activity and include the following assumptions:

- inflationary effects on costs, including salaries and benefits, of 1% per year;
- no increase in headcount;
- employee turnover ratio included at 5%;
- no increase in employee incentives;
- SCC eligible employees contribute to the Public Service Pension Plan. SCC's responsibility with regard to the pension plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada; and
- facilities lease renewal in 2015.

Corporate Plan preparation requires management to make estimates based on the best information available at the time of preparation. Actual results will vary from this plan.



5.2 2014-2015 Operating Forecast vs. 2013-2014 Actual Results

For the current fiscal year, SCC forecasts a deficit from operations of \$ 12.0 million. This represents a \$ 1.2 million increase compared to prior year's operating deficit of \$ 10.8 million. This operating deficit increase is due to the organization's continued focus on ensuring that resources are aligned with strategic investments that are consistent with SCC's vision and mandate. Increases to operating expenses (\$ 1.7 million) are driven by professional fees related to contracts with SDOs for standardization activity as well as increases in Canadian delegate financial support. Partially offsetting the increase in expenses is an increase in operating revenue (\$ 0.4 million) stemming from additional activity within accreditation services.

Due to prior year timing delays with SDO contractual commitments for standardization activity, SCC moved \$ 2.0 million of its 2013-2014 appropriations into the 2014-2015 fiscal year. SCC undertook this "reprofile" of government funding to ensure proper cash management of contracts in alignment with the Financial Administration Act and Treasury Board requirements regarding the draw-down of appropriations. As a result, SCC forecasts a year-over-year increase in appropriations of \$ 4.0 million.

After combining its operating deficit with appropriations, SCC is forecasting a total break-even for the 2014-2015 fiscal year which is \$ 2.7 million lower than the deficit reported for fiscal 2013-2014.

5.3 2014-2015 Operating Forecast vs. 2014-2015 Budget

For March 31, 2015, SCC forecasts a deficit from operations of \$ 12.0 million which is a \$ 1.8 million decrease compared to its budgeted operating deficit of \$ 13.8 million. The majority of this variance can be attributed to reduced expenses. Professional fees decreased by \$ 1.0 million due primarily to a realignment of contractual commitments for standardization activity. Salaries and benefits decreased by \$ 0.5 million due to vacancies. Also amortization expenses decreased by \$ 248 thousand due to a delay in the anticipated implementation of modernized IM-IT software.

Total revenue from operations is forecast at \$ 9.3 million, which is in line with the budgeted amount of \$ 9.5 million.

SCC forecasts appropriations of \$ 12.0 million, which is \$ 300 thousand higher than its budget of \$ 11.7 million. The increase is due to anticipated additional funding for its project to help address barriers to internal trade within Canada, as well as for the reimbursement of one-time parliamentary approved expenditures.

After combining its operating deficit with appropriations, SCC is forecasting to break-even for the 2014-2015 fiscal year which is \$ 2.1 million lower than deficit budgeted for the same time-frame.

SCC is forecasting an ending accumulated surplus of \$ 5.2 million at March 31, 2015. Although significant for SCC, this surplus is temporary as next year's planned deficit will utilize a significant portion of its accumulated surplus. After \$ 1.9 million is internally restricted for operations and \$ 0.6 million reserved for spending commitments against SCC's NISI, the balance of \$ 2.7 million is required for contractual commitments related to standardization initiatives.

5.4 2014-2015 Forecast to 2015-2016 Corporate Plan

For the fiscal year 2015-2016, SCC has planned a deficit from operations of \$ 11.5 million, \$ 0.5 million lower than the forecast of \$ 12.0 million for fiscal year 2014-2015. This variance stems from a \$ 252 thousand increase in operating revenue and a \$ 230 thousand decrease in operating expense.

Overall, revenue from operations is planned in 2015-16 at \$ 9.6 million, which reflects an increase of \$ 252 thousand or 3% from the revenues forecasted for 2014-2015. This change is due primarily to Accreditation Services revenue which increases \$ 164 thousand, or 2% year-over-year due to organic growth of the business. Other income has increased by \$ 84 thousand due to incremental Canadian Delegate Sponsorship funding, as well as an increase in miscellaneous income.

Overall, expenses from operations are planned in 2015-16 at \$ 21.1 million, a \$ 230 thousand or 1% decrease from the 2014-2015 forecast of \$ 21.3 million. This decrease is driven primarily by professional fees which have decreased by \$ 1.4 million, related to SCC's strategic investments. Partially offsetting the decrease in professional fees is an increase in salaries and benefits as well as an increase in amortization. Salaries and benefits are planned to increase by \$ 0.8 million due to the filling of vacant positions. Amortization is planned to increase by \$ 243 thousand based on the anticipated implementation of modernized IM-IT software.

After government appropriations of \$ 9.8 million, SCC has planned a net deficit of \$ 1.7 million which will be funded out of accumulated surplus. Appropriations have decreased by \$ 2.2 million versus the 2014-2015 forecast due to the reprofile of \$ 2.0 million from 2013-14 to 2014-15 as detailed in section 5.2. The annual deficit of \$ 1.7 million is lower than SCC's forecasted break-even during 2014-2015.

SCC is forecasting an accumulated surplus of \$ 3.5 million as at March 31, 2016. After \$ 1.6 million is internally restricted for operations, the remaining balance of \$ 1.9 million is required to fund future strategic investments and planned deficits as SCC rebalances its financial position to enable optimal delivery of its mandate.



5.5 2014-2015 Capital Expenditures Forecast

Total capital expenditures of \$ 0.9 million in 2014-2015 are forecasted to be on budget. SCC's capital policy with respect to IM-IT projects states that any and all costs incurred during the application and development phase of the project will be capitalized; effectively deemed to be assets, not expenses of SCC. The application and development phase starts once the following activities have occurred:

- determination of the existence of needed technology,
- conceptual formulation of alternatives, and
- evaluation and selection of the solution

\$ 0.8 million of the \$ 0.9 million is related to IM-IT software modernization. In 2011-2012, SCC conceptualized the evolution of its IM-IT architecture from a fragmented, outdated series of systems to an integrated, enterprise-wide system. This system would encompass Document and Records Management, Customer Relationship Management, Project Portfolio and Activity Tracking, Workflow and Collaboration. The 2014-15 capital plan relates to the implementation of a Business Management Solution (BMS) / Human Resources information system and upcoming financial system upgrades.

The balance of capital spend in the current forecast relates primarily to replacement projects, such as hardware/software scheduled refresh and minor finance system upgrades.

5.6 2015-16 Capital Budget and 5-Year Capital Investment Plan

SCC's 2015-2016 total capital investment budget is planned at \$ 2.3 million.

The 2015-2016 plan year is an extension of the 2014-2015 forecast year with respect to the IM-IT vision and project work.

The functional IM-IT areas noted in the last section (Document Management, Customer Relationship Management, Project Portfolio and Activity Tracking, Workflow and Collaboration) will be solutioned in an integrated, inter-operable environment.

SCC plans to continue the upgrade of its financial system with added functionality such as the automation of its invoicing process, an electronic cheque signature application, and financial management reporting tools. Focusing in these areas will drive operational efficiency.

Capital related to IM-IT Modernization is planned to be \$ 0.6 million.

The lease for SCC's office space in Ottawa expires in June 2015, at which time the organization plans a move to a new, modernized facility. The net effect of the use of new technology, modern construction techniques, joint-fit-up collaboration with the landlord and a reduced environmental footprint is a cost saving to SCC such that annual accommodation costs in the new facility will be below SCC's current accommodation costs, including leasehold improvements (\$ 1.2 million) and furniture costs (\$ 432 thousand) in 2015-2016. Throughout the balance of the current fiscal year, SCC will be finalizing its accommodation solution and implementing its plan for facilities modernization.

Furniture, small office equipment life cycle upgrades and other minor capital investments such as hardware/software scheduled refresh are planned at a cost of \$ 144 thousand per year starting in 2015-16 and carrying through for all five years of the Plan.

Standards Council of Canada Capital Investment Plan							
YEAR ENDED MARCH 31 (in thousands of dollars)	2013-2014 ACTUALS	2014-2015 FORECAST	PLAN				
			2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
IM/IT infrastructure equipment	27	24	24	24	24	24	24
Software & Other	23	845	670	370	70	70	70
Furniture & small office equipment	14	15	432	50	50	50	50
Leasehold Improvements	-	-	1,176	-	-	-	-
TOTAL CAPITAL INVESTMENT PLAN	64	884	2,302	444	144	144	144

Standards Council of Canada Pro Forma Statement of Operations

FOR THE YEAR ENDED MARCH 31 (in thousands of dollars)	ACTUALS 2013-2014	FORECAST 2014-2015	PLAN				
			2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
REVENUE FROM OPERATIONS							
Accreditation revenue	6,627	7,452	7,616	7,692	7,769	7,847	7,925
SCC Standards store	867	900	900	909	918	927	936
Innovative Services	659	483	487	1,837	1,877	2,022	2,148
Enquiry Point & notification services	390	-	-	-	-	-	-
Other income	381	512	596	677	780	783	786
TOTAL REVENUE FROM OPERATIONS	8,924	9,347	9,599	11,115	11,344	11,579	11,795
TOTAL EXPENSES	19,723	21,377	21,147	20,870	21,119	21,314	21,217
SURPLUS / (DEFICIT) FROM OPERATIONS	(10,799)	(12,030)	(11,548)	(9,755)	(9,775)	(9,735)	(9,422)
PARLIAMENTARY APPROPRIATIONS	8,081	12,029	9,829	9,329	9,229	9,229	9,229
NET SURPLUS / (DEFICIT) FOR THE YEAR	(2,718)	(1)	(1,719)	(426)	(546)	(506)	(193)
ACCUMULATED SURPLUS / (DEFICIT), BEGINNING OF YEAR	7,963	5,245	5,244	3,525	3,099	2,553	2,047
ACCUMULATED SURPLUS / (DEFICIT), END OF YEAR	5,245	5,244	3,525	3,099	2,553	2,047	1,854

Standards Council of Canada Pro Forma Statement of Financial Position

FOR THE YEAR ENDED MARCH 31 (in thousands of dollars)	ACTUALS 2013-2014	FORECAST 2014-2015	PLAN				
			2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
FINANCIAL ASSETS:							
Cash	4,413	4,356	2,376	2,149	2,022	2,076	2,171
Accounts receivable:							
Federal departments and agencies	457	250	253	256	259	262	265
Other accounts receivable	3,207	3,054	2,627	2,629	2,744	2,712	2,674
TOTAL FINANCIAL ASSETS	8,077	7,660	5,256	5,034	5,025	5,050	5,110
LIABILITIES:							
Accounts payable and accrued liabilities	2,291	2,087	2,006	2,025	2,045	2,047	2,049
Contributions received	76	115	116	117	118	119	120
Deferred revenue	1,886	2,186	2,208	2,230	2,252	2,275	2,298
Tenant Improvement Allowance	-	-	1,096	1,018	940	862	784
TOTAL LIABILITIES	4,253	4,388	5,426	5,390	5,355	5,303	5,251
NET FINANCIAL ASSETS	3,824	3,272	(170)	(356)	(330)	(253)	(141)
NON-FINANCIAL ASSETS:							
Prepaid expenses	851	860	869	878	887	896	905
Capital assets (net)	570	1,112	2,826	2,577	1,996	1,404	1,090
TOTAL NON- FINANCIAL ASSETS	1,421	1,972	3,695	3,455	2,883	2,300	1,995
ACCUMULATED SURPLUS/(DEFICIT)	5,245	5,244	3,525	3,099	2,553	2,047	1,854

Standards Council of Canada Pro Forma Statement of Changes in Net Assets

FOR THE YEAR ENDED MARCH 31 (in thousands of dollars)	ACTUALS 2013-2014	FORECAST 2014-2015	PLAN				
			2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Net Surplus / (Deficit) for the year	(2,718)	(1)	(1,719)	(426)	(546)	(506)	(193)
Acquisition of tangible capital assets	(64)	(884)	(2,302)	(444)	(144)	(144)	(144)
Amortization of tangible capital assets	342	342	588	693	725	736	458
(Increase) / decrease in prepaid expenses	(94)	(9)	(9)	(9)	(9)	(9)	(9)
INCREASE / (DECREASE) IN NET ASSETS	(2,534)	(552)	(3,442)	(186)	26	77	112
NET ASSETS / (DEBT), BEGINNING OF YEAR	6,358	3,824	3,272	(170)	(356)	(330)	(253)
NET ASSETS / (DEBT), END OF YEAR	3,824	3,272	(170)	(356)	(330)	(253)	(141)

Standards Council of Canada Pro Forma Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31 (in thousands of dollars)	ACTUALS 2013-2014	FORECAST 2014-2015	PLAN				
			2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
NET CASH FROM OPERATIONS							
Net Surplus / (Deficit) for the year	(2,718)	(1)	(1,719)	(426)	(546)	(506)	(193)
Adjustments for Non-Cash Items:							
Amortization of tangible capital assets	342	342	588	693	725	736	458
Changes in current liabilities and current assets other than cash	14	486	1,453	(50)	(162)	(32)	(26)
NET CHANGE IN CASH FROM OPERATIONS	(2,362)	827	322	217	17	198	239
CASH APPLIED TO CAPITAL TRANSACTIONS							
Additions to tangible capital assets	(64)	(884)	(2,302)	(444)	(144)	(144)	(144)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,426)	(57)	(1,980)	(227)	(127)	54	95
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,839	4,413	4,356	2,376	2,149	2,022	2,076
CASH AND CASH EQUIVALENTS, END OF YEAR	4,413	4,356	2,376	2,149	2,022	2,076	2,171

SCC was established in 1970 as a federal Crown corporation. Its mandate is set out in its governing legislation, the *Standards Council of Canada Act*.



6. Corporate Profile



6.1 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 Canada’s network of standardization professionals;
- foster quality, performance and technological innovation in Canadian goods and services through standardization-related activities; and,
- develop standardization-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.

6.2 SCC’s Council Structure

SCC’s governing Council and Executive Team is supported by standing and advisory committees and panels (depicted in Figure 1).

Figure 1: SCC’s Council Structure



GOVERNING COUNCIL

The governing Council, reports to Parliament through the Minister of Industry. The organization's CEO is appointed by the Minister of Industry and reports directly to SCC's governing Council. The Council is comprised of 13 members, 10 of whom are appointed by the Governor in Council through an Order in Council and the three other members sit on governing Council by virtue of the Chair/Vice-Chair positions they hold on statutory committees established in the SCC Act. The Council is responsible for overseeing the strategic direction of the organization, ensuring fulfillment of the mandate and for providing guidance on governance matters.

The governing Council has two standing committees: the Audit Committee and the Corporate Governance Committee. Both committees play an important role in strategically supporting governance approaches for SCC's initiatives.

Governing Council is also supported by two advisory committees as established in the SCC Act:

PROVINCIAL-TERRITORIAL ADVISORY COMMITTEE

The Provincial-Territorial Advisory Committee (PTAC) is established in the *Standards Council of Canada Act*. PTAC promotes cooperation and communication between the provinces, territories and SCC, and provincial and territorial participation in Canadian standardization activities.

STANDARDS DEVELOPMENT ORGANIZATIONS ADVISORY COMMITTEE

The Standards Development Organizations Advisory Committee (SDOAC) is also established in the *Standards Council of Canada Act*. SDOAC promotes cooperation and communication between SCC and SCC-accredited SDOs.

6.3 Staff and Activities

The strategies and policies established by SCC's governing Council are implemented by a staff of 93. The organization's work is led by its Chief Executive Officer (CEO), John Walter. The CEO is supported by SCC's Executive Team.

Figure 2: SCC's Executive Team





SCC's core activities are described as follows:

STRATEGY

The Strategy branch plays a leading role in the development of strategies that enable SCC to achieve results in key areas, and provides advice to the CEO, senior management, Council, and other branches through the development of policy positions on cross-cutting national, regional, and international issues.

The branch also ensures SCC's high-level engagement with key stakeholders by representing SCC, as needed, at senior level meetings with federal departments, provincial/territorial governments and industry representatives, in order to help SCC meet its strategic priorities. The branch also supports the CEO in the logistics, coordination, briefing, presentations, and follow-up for key external meetings.

STANDARDS SOLUTIONS

Through analysis of standardization-related trends, its outreach and strategic engagement directed at key government, industry, and consumer stakeholders, the Standards Solutions branch helps stakeholders realize their strategic priorities and goals; makes recommendations that influence their use of standards and conformity assessment-related aspects translating into increased efficiency and cost savings, enhanced competitiveness, reduced barriers to trade, and increased global market access. The branch works closely with its key stakeholders to identify and define the necessary conditions for Canada to optimize its use of standardization. The branch also manages the development of NSCs and the adoption of international standards for the Canadian marketplace. It also facilitates the participation of its key stakeholders as Canadian experts engaged in the standards development activities of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), as well as participation in regional standards organizations.

COMMUNICATIONS AND CORPORATE PLANNING

The Communications and Corporate Planning branch manages corporate communications for the organization, including website management, social media and translation services. Additionally, the branch is responsible for corporate planning, risk management, government reporting (including Access to Information and Privacy requests) and standards inventory monitoring. The Corporate secretariat role also falls under the purview of the branch.

CORPORATE SERVICES

The Corporate Services branch provides professional services support to the organization. Its functions include financial management, human resources, investment planning and business advisory, information management and information technology, corporate administration and contracting, and travel.

ACCREDITATION SERVICES

The Accreditation Services branch provides accreditation services to various customers, including SDOs, product certifiers, management system certifiers, greenhouse gas verifiers and validators, personnel certifiers and testing laboratories. SCC is also a signatory to several Mutual Recognition Agreements and Multilateral Agreements with international accreditation forums that foster the acceptance of one standard – one test accepted everywhere. These forums have been created by accreditation bodies around the world to assist with international acceptance of conformity assessment results. These agreements are part of greater efforts to form a global accreditation system.

SCC is also supported by two advisory panels and one committee:

ACCREDITATION ADVISORY PANEL

The Accreditation Advisory Panel falls under the purview of SCC's Accreditation Services branch. The panel provides policy advice, with a view to ensuring fairness and impartiality in relevant SCC policies and programming.

CONSUMER AND PUBLIC INTEREST PANEL

The Consumer and Public Interest Panel provides strategic and policy advice on standardization matters that impact Canadian consumers and public interest groups, as well as, ISO Committee on consumer policy (COPOLCO). The panel falls under the purview of SCC's Standards Solutions branch.

CANADIAN NATIONAL COMMITTEE FOR THE INTERNATIONAL ELECTROTECHNICAL COMMISSION

The Canadian National Committee of the IEC (CANC/IEC) provides strategic and policy advice to SCC on Canada's strategic priorities for companies operating in the energy, electrotechnical and electrical sector, as well as, IEC-related matters. The committee falls under the purview of SCC's Standards Solutions branch.

Glossary of Acronyms

AAP	(SCC) Accreditation Advisory Panel	IECE	Instituto Ecuatoriano de Crédito Educativo y Becas
AHRI	Air-Conditioning, Heating, and Refrigeration Institute	IECEE	IEC System of Conformity Assessment Schemes for Electrotechnical Equipment and Components
APLAC	Asia Pacific Laboratory Accreditation Cooperation	IECRE	IEC Renewable Energy System
APM	Annual Public Meeting	ILAC	International Laboratory Accreditation Cooperation
APS	(SCC) Advisory Panel on Standards	IM/IT	Information Management/Information Technology
CAC	Canadian Advisory Committee	ISACC	ICT Standards Advisory Council of Canada
CASCO CPC	ISO Committee on Conformity Assessment Chairman's Policy and Coordination Group	ISD	International Standards Development
CATRTA	Canada-Americas Trade-Related Technical Assistance	ISO	International Organization for Standardization
CCPSA	Canada Consumer product Safety Act	ISO/IEC	International Organization for Standardization/International Electrotechnical Commission
CEO	Chief Executive Officer	ITU	International Telecommunications Union
CEN	European Committee for Standardization	MASM	Mongolian Agency for Standardization and Metrology
CENELEC	European Committee for Electrotechnical Standardization	MOA	Memorandum of Agreement
CEPA	Canada and India Comprehensive Economic Partnership Agreement	MOU	Memorandum of Understanding
CETA	Canada-European-Union: Comprehensive Economic and Trade Agreement	NFPA	National Fire Protection Association
CIPH	Canadian Institute of Plumbing & Heating	NISI	Northern Infrastructure Standardization Initiative
CANC/IEC	(SCC) Canadian National Committee of the International Electrotechnical Commission	NRCan	Natural Resources Canada
COPANT	The Pan American Standards Commission	NSC	National Standards of Canada
COPOLCO	Consumer Policy Committee of ISO	PASC	Pacific Area Standards Congress
CPIP	(SCC) Consumer and Public Interest Panel	P/T	Provincial/Territorial
CWWA	Canadian Water and Wastewater Association	PTAC	(SCC) Provincial-Territorial Advisory Committee
DFATD	Department of Foreign Affairs, Trade and Development	QMS	Quality Management System
EFC	Electro-Federation Canada	RCC	Regulatory Cooperation Council
ETV	Environmental Technology Verification	SCC	Standards Council of Canada
FINCA	Forum of the IEC National Committees of the Americas	SDOAC	(SCC) Standards Development Organizations Advisory Committee
FTAs	free trade agreements	SDOs	Standards Development Organizations
GHG	Greenhouse gas	TBT	Technical Barriers to Trade
IAAC	InterAmerican Accreditation Cooperation	TPP	Trans-Pacific Partnership
IAF	International Accreditation Forum	WSD	World Standards Day
IEC	International Electrotechnical Commission	WTO	World Trade Organization