

**Canada Revenue Agency
Performance Report on Sustainable Development
April 1, 2006 to March 31, 2007**

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COMMISSIONER'S MESSAGE

I am proud to present this *Performance Report on Sustainable Development April 1, 2006 to March 31, 2007*. It highlights our achievements for this period and for the three years of the Canada Revenue Agency's (CRA) *Sustainable Development Strategy 2004-2007*.

At a time when the environment is foremost among the issues that concern Canadians, the CRA has made tangible progress in reducing the effects of our operations and programs on the environment. We completed 78 percent of our planned commitments for 2006-2007, and 85 percent of our commitments in the three-year strategy. Our accomplishments for 2006-2007 included:

- Diverting from landfill 79 percent of the solid waste generated by the CRA, saving tonnes of greenhouse gas emissions;
- Achieving a 1.5 percent reduction in the amount of office paper used per employee;
- Increasing the percentage of green products purchased from 7.4 percent to 16.9 percent; and
- Achieving a 50.6 percent take-up rate for the electronic filing of individual tax returns as opposed to 49.4 percent in the previous year.

As legislated, we tabled our fourth *Sustainable Development Strategy 2007-2010* in Parliament in December 2006. With input from employees, management, and stakeholders, we used the lessons learned to expand our commitment to integrating sustainable development into our operations and business decisions.

While we have accomplished much, I encourage each CRA employee to do more to reduce any negative effects on our environment. Opportunities remain for employees to choose sustainable options in the areas of business travel and commuting, program delivery, energy use, and solid waste generation. Individual efforts may seem negligible, but 40,000 committed employees all working toward a common goal can have a major impact.

For more information on our *Sustainable Development Strategy 2007-2010*, I invite you to visit the CRA website at www.cra-arc.gc.ca/sds.

William V. Baker
Commissioner

1. Executive Summary

In pursuing commitments made in *Sustainable Development (SD) Strategy 2004-2007*, the Canada Revenue Agency (CRA) completed 78% of planned commitments for fiscal year 2006-2007, and an overall 85% for the three years of the Strategy.

CRA Sustainable Development Strategy 2004-2007 set four long-term goals, namely:

Goal 1: Reduce the effects of our operations on land, air, and water;

Goal 2: Our programs demonstrate sustainable service delivery;

Goal 3: All employees apply sustainable development in their job; and

Goal 4: Modern systems that support and maintain sustainable development.

The goals were intended to support the CRA sustainable development vision *to be a globally recognized organization for best practices for sustainable development*. We achieved most of the expected results for each goal. Highlights for 2006-2007 included:

Goal 1 - Reduce the effects of our operations on land, air, and water: The results of goal 1 moved us from ad hoc to systematic management of our environmental operations. Through the establishment and pursuit of annual activities, we diverted from landfill 79% of solid waste generated at select CRA facilities in 2006-2007 – equivalent to 2,681 tonnes of solid waste; reduced multi-purpose office paper use per employee by 646 sheets to 5,761 sheets per employee; and doubled our purchases of green products to \$16.9 million – representing 16.9% of purchases (WBRO, fleet vehicles, publishing).

Goal 2 - Our programs demonstrate sustainable service delivery: Through our program delivery, the take-up of electronic filing of individual tax returns increased by 1.5% to 50.6%, and the take-up of electronic filing of corporate tax returns increased by 5.7% to 15.5%. We also promoted sustainable business travel among our internal auditors.

Goal 3 - All employees apply sustainable development in their job: To assure accountability, 68% of the Executive Cadre included a sustainable development commitment in their performance agreements, thereby demonstrating leadership and support for sustainable development. In addition, we launched the Sustainable Development Innovation Fund (SDIF) to encourage employee-driven SD initiatives. A total of 35 project proposals were received, from which 5 projects were awarded funds totaling \$50,000.

Goal 4 - Modern systems that support and maintain sustainable development: We assessed the status of the sustainable development program, and used key findings to prepare and table *CRA SD Strategy 2007-2010* in Parliament in December 2006. We also revised the *CRA Sustainable Development Policy* and *Environment Policy*. As part of the mandate of the Office of the Commissioner of the Environment and Sustainable Development (CESD), the CRA was audited and received satisfactory assessment for progress made on integrating sustainability criteria into our partnership agreements. This was included in the 2006 Report of the Commissioner to the House of Commons.

Overall, we conclude that SD Strategy 2004-2007 was a success. For 2006-2007, we completed 43 of 55 activities, and 70 of 82 activities for the 3-year period 2004-2007. Of those activities, not completed, a total of 10 activities were in progress, 1 was dropped, and implementation on another deferred. The new *Sustainable Development Strategy 2007-2010* will advance work on all in-progress and deferred activities. It will also deepen sustainable development integration into our programs and operations.

2. Introduction

This report outlines progress made during the third and final year of implementation of the Canada Revenue Agency (CRA) *Sustainable Development (SD) Strategy 2004-2007*¹. It also summarizes overall performance on *SD Strategy 2004-2007*. The main elements that will be addressed in this report are:

- Overall SD performance for 2006-2007 and 2004-2007;
- SD performance by goal for 2006-2007 and 2004-2007; and
- Conclusion and next steps

The appendices provide detailed information on the SD Program, as well as, performance status. **Appendix 1** outlines the structure and cost of the SD Program at the CRA.

3. Sustainable Development Strategy 2004-2007

The SD Strategy 2004-2007 established the following goals and expected results:

Goal	Expected results by March 31, 2007
1. Reduce the effects of our operations on land, sea, and air	Systematic management of the effects our operations have on the environment.
2. Our programs demonstrated sustainable service delivery	Increase sustainable service delivery by systematically measuring paper savings, influencing our negotiations with partners, and piloting sustainable employee work travel.
3. All employees apply sustainable development in their job	Achieve stronger leadership and greater buy-in from management and employees. Continue to improve tools and internal communication for SD.
4. Modern systems that support and maintain sustainable development	Complete our SD framework and move to fully electronic reporting systems for SD ² . Continue to integrate SD into our business planning and reporting processes.

Each goal supported the CRA's SD Vision and was intended to guide the SD Program to achieving expected results by March 31, 2007.

CRA SD Vision

To be a globally recognized organization for best practices for sustainable development

The four goals of the Strategy were to be achieved through the implementation of 22 targets, which in turn, were to be realized through the completion of 82 activities over three years.

¹ For more information on the *CRA SD Strategy for 2004-2007*, please see www.cra.gc.ca/sds.

² From: National Action Plan for 2004-2007 (<http://www.cra-arc.gc.ca/agency/sustainable/plan/2005/menu-e.html>)

4. Overall SD Performance 2006-2007 and 2004-2007

In 2006-2007, a total of 55 activities of the SD National Action Plan were scheduled for completion. This included 5 activities that were carried over from 2005-2006. As **Graph 1** depicts, as of March 31, 2007, the Agency completed 43 (78%) activities, and progressed on 10 (18%). One activity was dropped, and another deferred for implementation in 2007-2008.

Year-3 performance of 78% of activities completed compared favourably to the 85% (70 of 82) of activities completed for SD Strategy 2004-2007³. **Table 1** compares the completion of planned activities for each goal of the Strategy for both the 2006-2007, and the 2004-2007 periods.

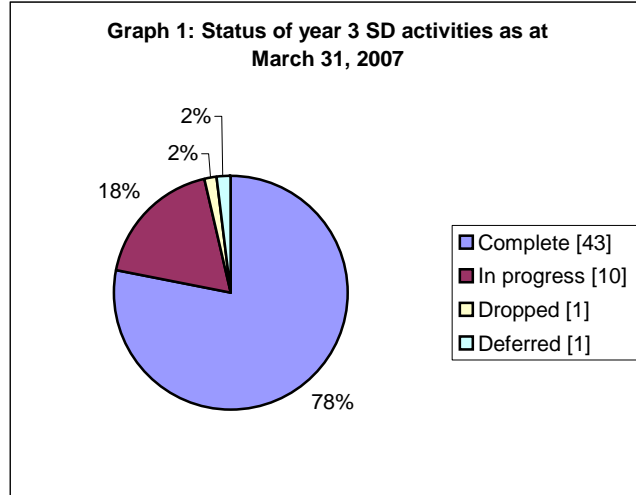


Table 1: Activities planned versus activities completed by SD goal

Goal	Completed/ planned (%) 2006-2007	Completed/ planned (%) 2004-2007
1. Reduce the effects of our operations on land, sea, and air	18/22 (82%)	26/30 (87%)
2. Our programs demonstrated sustainable service delivery	6/8 (75%)	9/11 (82%)
3. All employees apply sustainable development in their job	7/9 (78%)	16/18 (89%)
4. Modern systems that support and maintain sustainable development	12/16 (75%)	19/23 (83%)
Total	43/55 (78%)	70/82 (85%)

We continued to apply the weighted assessments developed under the *Index of Sustainable Development Progress (ISDP)*⁴ to assess performance within the period and of the three-year Strategy. Results showed that SD progress under the ISDP was 94% for SD Strategy 2004-2007. See **Appendix 2** for more information on the ISDP.

Implementation of Environmental Management Programs

Managing the CRA's environmental impacts goes beyond implementation of our SD Action Plan. In 2006-2007, a total of 8 Environmental Management Programs (EMPs), consisting of 84 targets were also pursued. They addressed the areas of procurement, paper, solid and hazardous

³ The CRA completed 40 of 71 (56%) planned activities for SD Strategy 1997, and 72 of 83 (87%) planned activities for SD Strategy 2004 - 2007.

⁴ The ISDP weighted activities based on their potential to achieve direct environmental results.

wastes, halocarbons, fleet, outside emissions, and storage tanks. During the period 83% were *met* or *mostly met*, while 17% were *not met*. This is marginally lower than 2005-2006 results, when 87% of targets were *met* or *mostly met*. Implementation will continue in 2007-2008 for all EMP activities not completed during 2006-2007.

5. Performance by Goal for 2006-2007 and 2004-2007

The 4 goals of the SD Strategy are supported by targets that consist of activities. It is the completion of annual activities that determines progress on targets, and positions us to achieve the planned results of the strategy. For this third and final year of SD Strategy 2004-2007, we were well-positioned to assess progress on the Strategy at the target-level, in addition to the activity-level. We will also address our success in meeting the planned results of the Strategy, as well as, planned results for each of the 4 goals. See **Appendix 3** for a detailed account of progress on activities.

For 2006-2007, the CRA was scheduled to complete work on 21 targets⁵, and their associated performance measures. At the end of the period, we achieved 13 of 21 targets, bringing total targets achieved for 2004-2007 to 14. In addition, we established complete performance measures for 15 of the 22 targets, partial/ad hoc measures for 3 targets, and made substantive progress on deriving measures for the remaining 4 targets. Work will continue in SD Strategy 2007-2010 to complete unmet targets and their performance measures. The following table shows the status of targets and performance measures as at March 31, 2007.

Goal	Targets achieved/ planned (2004-2007)	Performance measures established/ planned (2004-2007)
1. Environmental excellence in operations	6/8	5/8
2. Sustainable service delivery	1/4	2/4
3. Employee engagement	4/5	4/5
4. Modern sustainable development management	3/5	4/5
Total	14/22	15/22

The following sections summarize SD performance by goal.

Goal 1: Reduce the effects of our operations on land, air, and water

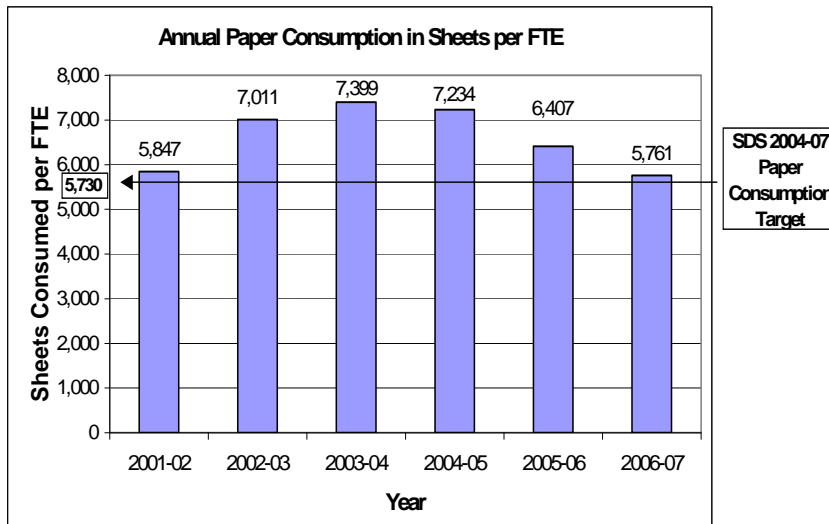
Goal 1 was supported by 8 targets, which sought to reduce waste and ensure efficient use of resources, and comply with environmental legislation and regulations. Of the 8 targets, we achieved 6 and progressed on 2. Highlights were:

Internal paper consumption

The 2004-2007 SD Strategy committed the CRA to, by March 31, 2007, reduce the internal consumption of paper (multi-purpose office paper) by 2% per employee or 5,730 sheets per Full-

⁵ SD Strategy 2004-2007 had 22 targets – Target 3.1.2 was completed in 2005-2006.

Graph 2: Office paper consumption per FTE (2001-2007)



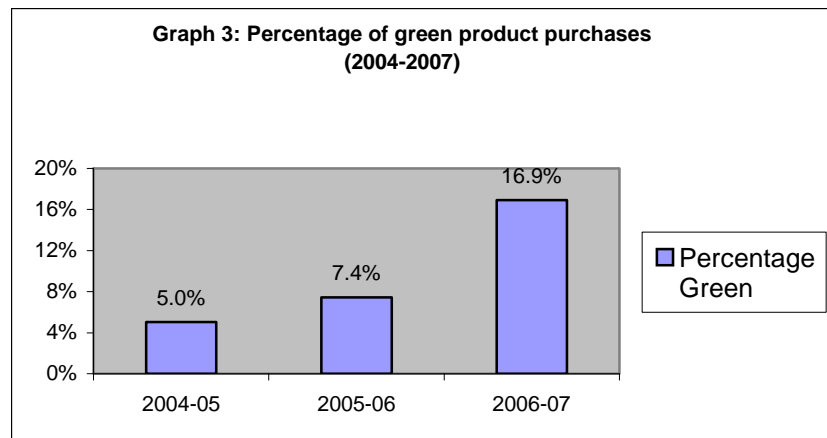
Time Equivalent (FTE)⁶ based on the national baseline year (2001-2002). During 2006-2007, we reduced per employee use of multi-purpose office to 5,761 sheets per FTE, a reduction of 646 sheets vis-à-vis 2005-2006. However, this fell short of the target by 31 sheets - achieving a reduction of 1.5%. **Graph 2** shows that while the Agency fell short of achieving

the 2% reduction target, significant decreases in paper use were achieved during the last two years of the 2004-2007 SD Strategy. We attribute these results to the implementation of systematic paper reduction initiatives.

Green procurement and fleet management

The extraction and synthesis of raw materials into consumer goods has environmental consequences. As a large consumer of goods, the CRA has the opportunity to lessen its burden on the environment by purchasing products that are designed to have less impact on the environment. Examples of *green procurement* include recycled toner cartridges and hybrid vehicles.

During 2006-2007, the total value of green products purchased (includes publishing, fleet, and WBRO goods purchased online) was \$16.9 million, up from \$12.4 million in 2005-2006. The percentage of green products purchased increased to 16.9% in 2006-2007, from 7.4% in 2005-2006, and 5% in 2004-2005.



⁶ FTE is used as a proxy for per employee.

To meet our obligations under the *Alternative Fuels Act* and other federal fleet management directives, the Agency continued to green its fleet, which now contains 14% gas-electric hybrids and 23% alternative fuel vehicles. In recognition for our achievements under the Federal Fleet Initiative, Natural Resources Canada awarded the CRA with a sum of \$32,166, which was used to increase the number of hybrid vehicles in our fleet.

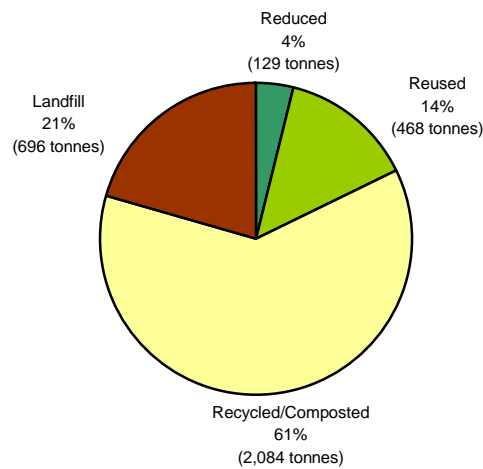
Solid waste management

Solid waste management continued to improve during the period. We had a commitment to divert solid waste from landfill by an average of 60% in 29 selected facilities, representing over 50% of the Agency employee population by March 31, 2007. Following on baseline work and implementation of waste management programs in the previous two years, during 2006-2007, we conducted solid waste audits in the selected facilities. The results showed that:

- Average waste diversion rate was 79% in these facilities, with a range from 64% to 94%;
- These facilities sent approximately 696 tonnes of waste to landfill; recycled and composted over 2,084 tonnes of material; and reduced and reused 597 tonnes of material during 2006-2007.

Graph 4 shows distribution of solid waste generated at the CRA in 2006-2007.

Graph 4: Waste reduced, reused, recycled, and sent to landfill by the CRA's 29 priority facilities for 2006-2007



In addition to the overall results, the CRA’s Halifax office shared the Nova Scotia Resource Recovery Fund Board’s Mobius Environmental Award for ‘Institution of the Year’ with Public Works and Government Services Canada for its waste management efforts.

Conclusion

Approximately 37% of the commitments in SD Strategy 2004-2007 were focused on meeting the objectives of this goal. At the end of the period, for goal 1, we completed 82% of year 3 activities, and 87% for the Strategy overall. We established performance measures for 5 of 8 goal 1 targets, and progressed on developing the other 3 measures. We advanced well towards achieving the main results of the goal. They were:

Goal 1 expected results	Status
1. Fully establish environmental management system	√ Achieved
2. Maintain and update inventories and baselines	≈Mostly achieved
3. Increased best practices for SD in operations	√ Achieved

- We used the environmental management system with its cycle of “*plan, do, check, and improve*” to manage all 8 identified environmental aspects.
- We established performance measures for 5 of 8 targets, partial baseline measures for 2 targets (electronic forms and hazardous materials), and advanced work to establish the remaining measure (GHG emissions). Work will continue in the new Strategy to complete all baseline measures, and continue systematic measurement. See **Appendix 4** year-to-year comparison of performance measures.
- Through the annual work plans implemented under the Environmental Management System (EMS), we moved from moderate and ad hoc, to systematic SD integration - thereby increasing the application of SD best practices to our operations.

We will deepen the successes of goal 1 by pursuing the main targets of the goal in SD Strategy 2007-2010.

Goal 2: Our programs demonstrate sustainable service delivery

Goal 2 consisted of 4 targets, which sought to enable efficient and innovative program delivery, enhance partnerships to support shared SD objectives, and communicate our SD commitment to the public. Of the 4 targets, we achieved 1, and made substantive progress on the other 3. The highlights were:

Sustainable work and travel among internal auditors

To raise awareness of the environmental impacts from travel, the CRA developed an online Sustainable Business Travel (SBT) course. The course highlights *Smart Driving* and *Alternatives to Driving for Business Travel*. Based on the positive feedback from the pilot with auditors of the Corporate Audit and Evaluation Branch (CAEB) in 2005-2006, the course was extended to all employees of the branch in 2006-2007. A total of 82 employees (76%) took the course – this included 67 internal auditors. The course was also offered to fleet operators across the country - 30 fleet operators completed the course. The Compliance Programs Branch, which employs about 900 auditors in Headquarters, and has functional authority for auditors in the regions, agreed to partner with the SD Division to provide the course to their employees.

Paper reduction in tax and benefits program delivery

The CRA conducts millions of transactions with clients and taxpayers annually. Each transaction has the potential to use paper, which has costs implications for purchase and storage. By leveraging technology, the CRA is able to increase service efficiencies, and reduce transaction costs. During 2006-2007, the CRA continued to realize success in promoting its on-line services. The electronic take-up of individual tax returns increased by 1.2% to 50.6%, while the electronic take-up of corporate returns was 15.5%, an increase of 5.7% over 2005-2006.

The advances in electronic service delivery have no doubt played a role in the observed increasing proportion of the public that perceives the CRA as an organization that is committed

to SD. Based on public opinion poll results, this percentage increased to 53% in 2006-2007, up from 42% in the previous year.

Conclusion

For goal 2, we completed 75% of year 3 activities, and 82% for the Strategy. We established performance measures for 2 of 4 targets, and will continue work to complete the remaining two measures in the new Strategy. The expected results of the goal were:

Goal 2 expected results	Status
1. Establish process for integrating SD Criteria into negotiations with provincial, territorial, and other government department	≈Mostly achieved
2. Adopt a systematic approach to sustainable service delivery - measuring and reducing paper use and promoting sustainable work travel	≈Mostly achieved
3. Communicate CRA's SD commitment to the public	≈Partially achieved

- We progressed against the target of integrating SD Criteria into the process for partnership agreements. By the end of the Strategy, we had defined the SD Criteria, and included them in an identified guide document for developing partnership agreements. However, the application and measurement of the use of the criteria will only be enabled upon finalization and use of the guide document.
- We were successful in promoting sustainable work travel among our target group (CAEB auditors), as well as, in receiving a commitment to extending the course to the larger community of CRA auditors in the Compliance Programs Branch. The positive trend in the provision and take-up of electronic services offered by the CRA has continued. We planned to demonstrate the environmental and costs benefits of electronic service delivery by estimating paper saved through this innovation. However, while we researched important information to establish a baseline for the resulting paper savings, due to competing priorities, we were not able to measure as planned. Work on this activity will continue in 2007-2008.
- Five program branches committed to including SD clauses/ messages on their external Web pages that serve the public. One of the 5 branches achieved this commitment. The other branches supported implicit SD messaging, as it related to their promotion of electronic services.

There are many opportunities that can be pursued as we continue to demonstrate sustainability in the way we deliver our programs. We will complete any outstanding work in support of this goal, and explore others in SD Strategy 2007-2010.

Goal 3: All employees apply sustainable development in their jobs

A total of 5 targets supported goal 3. Four were to be completed in 2006-2007, and 1 was achieved in the previous year. The targets sought to demonstrate leadership and commitment to SD, and raise the level of employee involvement and support for SD. By the end of year 3, we achieved 4 targets, and had 1 in progress. The highlights were:

Leadership and support for SD in the workplace

Ongoing leadership for SD continued to be an important success factor for the SD Program at the CRA. In 2006-2007, the Agency reached its target of including SD clauses in the performance agreements of 100% of Assistant Commissioners. Approximately 68% of employees in the

Executive Cadre (EC) included SD clauses in their performance agreement. This exceeded the target of 15% set in the SD Strategy for the Executive Cadre and the Management Group (MG). Although preliminary indications are that this target was surpassed by MGs, we are unable to confirm figures at this time.

Strengthening the SD Network and encouraging employee participation

Our network of SD Representatives, SD Coordinators, SD Committee members, and employees in CRA branches and regions continued to be a key mobilizing force behind achieving the results of the Strategy. They were instrumental in planning, implementing, and reporting on their individual SD Action Plans; mobilizing employees to participate in national and local SD activities; and driving innovation to save resources and reduce waste. Given their importance to the SD Strategy, goal 3 was geared towards strengthening the SD Network and enabling employees to support SD on the job.

The SD Division continued to provide SD Awareness sessions to new SD Coordinators; held quarterly meetings with the SD Network and one-on-one meetings with SD Coordinators; and continued to implement the learning and communication strategies for sustainable development. A new and expanded SD Web Site was also launched on InfoZone.

To further encourage active participation from grassroots employees, the CRA launched the Sustainable Development Innovation Fund (SDIF). The SDIF was established to facilitate the implementation of employee-driven initiatives that promote sustainable development at the CRA. The Fund was endowed with an initial \$100,000 for equal distribution over a period of two years. A total of 35 submissions were received, from which 5 projects were awarded funds totaling \$50,000. Implementation for all projects is scheduled to start on April 1, 2007.

Conclusion

Goal 3 realized 78% activity completion for 2006-2007 and 89% over the 3 years of the Strategy. We established performance measures for 4 of 5 targets. The remaining measure will be completed in the new SD Strategy. The expected results for the goal were:

Goal 3 expected results	Status
1. Committed leadership from management in their performance agreements	√ Achieved
2. Begin to communicate the CRA’s sustainable development commitment in the employee hiring process	√ Achieved
3. Strengthened SD Network	√ Achieved
4. Develop learning plan, a curriculum, and a communications strategy to effectively implement the Learning Strategy for SD	≈Mostly achieved
5. Meaningful recognition of employee contributions to SD	≈Partially achieved

- We met and exceeded the measures for SD clauses in performance agreements for ACs, ECs and MGs⁷.
- We completed the planned activities to communicate CRA’s SD commitment to the public in 2005-2006. Through SD messaging, we communicated our SD commitment to 100% of persons who visited the CRA internal and external career Web pages.

⁷ Final figures for MGs to be confirmed – indications are that the target of 15% was exceeded.

- We completed all activities that supported the target to strengthen the SD Network. The results of the annual SD Network satisfaction survey showed an increase in level of satisfaction of the SD Network with the support offered by the SD Division. This was 80% for 2006-2007, compared to 76% for the previous two years. While we achieved overall success in implementing the activities of the SD National Action Plan, the completion rate for activities of individual branch and regional SD action plans was 41%, a decrease of 7% during the period. The high turnover rate (68%) of SD Coordinators factored into this result. We had 13 (of 19) new SD Coordinators joining the SD Network during the period. Notwithstanding, we will continue our efforts to support the SD Network and mitigate the impacts of high turnover rates.
- We completed all but 1 activity that supported implementation of the Learning Strategy for SD. Through the learning plan; we developed curriculums for MGs and Auditors, and continued to implement the requirements of the communication strategy. The release of the Employee SD Awareness survey was strategically deferred to 2007-2008. The results will show any change in the level of employee SD awareness vis-à-vis the baseline year of 2004.
- Ad hoc SD recognition continued at the local level in branches and regions. The SD Division promoted recognition of local accomplishments through its section on “Everyday Champions” on the SD Web site. During 2006-2007, we started the process of formalizing SD recognition by consulting with the SD Network on a draft SD Recognition Toolkit. We were unable to finalize the Toolkit for release to the SD Network. However, this will be done in 2007-2008.

The overall performance on goal 3 was favourable, and this will continue to be strengthened in successive SD Strategies.

Goal 4: Modern systems that support and maintain sustainable development

Goal 4 was supported by 5 targets, which aimed to monitor, measure, and report on SD progress; and assess the economic, social, and environmental impacts of our programs, policies, and plans. Of the five targets, we achieved 3, and progressed on 2. The highlights were:

Publish CRA Sustainable Development Strategy 2007-2010

The preparation of SD Strategy 2007-2010 overlapped with the implementation of year 3 of SD Strategy 2004-2007. This provided challenges and opportunities – the challenge of balancing competing priorities, and the opportunity to use lessons learned to inform the preparation of the new Strategy. The update process began with an internal assessment of SD Strategy 2004-2007. We reviewed the operating environment, and assessed our follow-up actions to the 2003 internal audit recommendations of the SD Program. We determined that the 2004-2007 Strategy was sound; with success factors such as a solid framework, senior management support, and a focused pursuit of the SD National Action Plan. As part of the self-assessment, we completed “maturity globes” for all environmental, management, and systems aspects of the SD Program. Progress for each aspect was mapped against the 5 stages of ad hoc, baseline, manage, innovate, and optimize. The aim was to outline a path of progress for each aspect, which could then be used to determine current positioning, and map future directions.

Resulting from Agency-wide consultations involving all levels of management and employees, the CRA’s fourth Sustainable Development Strategy 2007-2010 was tabled in the House of

Commons in December 2006. The Strategy will continue on the course of Sustainable Development Strategy 2004-2007 – pursuing the same goals, with amended targets aimed at deepening SD integration in CRA operations and business decisions.

The CRA Sustainable Development Policy and Environment Policy were also updated and approved by the Board of Management (BoM) during the period. Of note was the inclusion of SD criteria in the revised CRA Travel Policy that was approved by the BoM in June 2006, and released to employees in December 2006.

Conclusion

Goal 4 realized 75% activity completion for 2006-2007 and 83% over the 3 years of the Strategy. We completed performance measures for 4 of 5 targets. The remaining measure will be completed in the new SD Strategy. The expected results for the goal were:

Goal 4 expected results	Status
1. Full electronic performance reporting and monitoring systems for the SD Strategy and the EMS	√ Achieved
2. System integration of SD Criteria into key corporate management tools	≈Partially achieved
3. Develop audit program to support SD Line of Enquiry for internal audits	≈Mostly achieved

- We developed electronic reporting tools for SD and EMS reporting. The Performance Reporting (PR) Tool was used by the SD Network for quarterly reporting, and updated annually by the SD Division.
- We developed the SD Criteria for policy, programs, and plans. Integration was limited and ad-hoc. The existence of a central authority and/ or guide document increased opportunities for integration and use of the criteria. As such, we realized most progress in the application of the criteria to corporate policies. We will pursue this target in the new SD Strategy.
- A *Line of Enquiry* was developed for SD and communicated among internal auditors. However, its use is subject to the audit in question, as well as, the discretion of the auditor. There was no reported use of the SD Line of Enquiry during the period.

The main targets of goal 4 will be continued in SD Strategy 2007-2010.

6. 2006 Report of the Commissioner of the Environment and Sustainable Development

A key consideration in measuring our progress on sustainable development is the assessment of our program by the Commissioner of the Environment and Sustainable Development (CESD). The CESD has a mandate to monitor federal departments' and agencies' implementation of their SD Strategies. Audits are one tool used by the CESD to assess performance against expected results. Audit results provide important insights and directional information for the CRA.

In its 2006 Annual Report to Parliament, the CESD examined the progress made by federal departments and agencies toward meeting specific commitments in their sustainable development strategies. The CESD looked at 39 commitments published in the strategies of 21

departments. Among the commitments chosen for 2006 was the CRA's commitment to "Integrate sustainability criteria into negotiations, discussions, partnerships, and decision-making with provinces and territories, and other government agencies/ departments on CRA business." (Target 2.2.1 under Goal 2 of the SD Strategy)⁸

The CESD observed that, at the time of the audit, satisfactory progress had been made on establishing a definition for sustainability criteria, and in identifying opportunities for the inclusion of criteria. However, the Commissioner rated progress on integrating the criteria (into identified documents and guidelines) as unsatisfactory. The CESD concluded that the CRA had achieved overall satisfactory progress on this selected commitment. In response, the CRA committed to continuing to work to advance this commitment by including the criteria in the identified guide documents for developing partnership agreements.

7. Conclusion and Next Steps

We are pleased to conclude that SD Strategy 2004-2007 was, in general, a success based on a year 3-completion rate of 78% for activities, and an overall Strategy completion of 85% for activities. In terms of targets, we achieved 14 of our targets and made significant progress on the others. We also established baseline performance measures for 15 of the 22 targets, and progressed on finalizing measures for the remaining 7 targets. Most of the 11 activities that were in progress at March 31, 2007 were substantially complete. They addressed issues of SD communications and integration, and work will continue to advance them in SD Strategy 2007-2010.

We are proud of our achievements that included:

- Best rating for CRA SD Strategy 2004-2007 from among all federal SD Strategies based on the 2005 Report of the Commissioner of the Environment and Sustainable Development to the House of Commons;
- A 79% average solid waste diversion rate at select facilities;
- Positive results in reducing internal paper use per employee by 1.5%;
- Strong senior management support for SD; and
- Leadership in the federal government with our green procurement and solid waste management.

These accomplishments were not without challenges, and there remains room for improvement. The challenges included:

- Availability and timeliness of data for measuring and reporting on SD progress; and
- Staff turnover rate in the SD Division and SD Network, which challenged our capacity building efforts.

⁸ The full 2006 report of the CESD is available at:
<http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20060904ce.html>.

We identified the ever-increasing need to simplify SD implementation and reporting requirements for our SD Network. To this end, we will be taking steps to strengthen the support and guidance provided to the SD Network in 2007-2008.

Notwithstanding, based on the completion rates of scheduled targets and activities, the positive SD results achieved through systematic measurement, and the overall favourable assessments of elements of CRA's SD Program by the CESD, we conclude that the CRA's third Sustainable Development Strategy 2004-2007 has been successfully implemented.

APPENDICES

APPENDIX 1:

Sustainable Development at the CRA

SD definition

Sustainable development (SD) is commonly defined as *development that meets the needs of the present without compromising the ability of future generations to meet their own needs*. This definition comes from the Brundtland Report, a 1987 report from the United Nations.

SD Strategy at the CRA

Under the *Federal Sustainable Development Act*, the CRA updates and tables a sustainable development (SD) strategy in Parliament at least once every three years. The SD strategy outlines concrete plans to integrate SD into our policies, programs and operations. A [national action plan](#) underpins this strategy. The plan has 4 goals that focus on the CRA's internal operations, service delivery to the public, employees, and modern sustainable development management systems. These goals are supported by targets that represent the areas of greatest impact for SD at the CRA. The targets are supported by activities, each of which has a detailed work plan and are reviewed annually and updated, where necessary.

The national action plan is supported by branch and regional action plans developed through a consultative process and approved by respective Assistant Commissioners. The national, branch and regional action plans are updated yearly to keep current with the changing operating environment of the CRA.

The national action plan is also supported by environmental management programs (EMP), which are linked mostly to goal 1 of the SD strategy.

SD governance at the CRA

The Sustainable Development (SD) Division of the Finance and Administration Branch (F&A) has the primary responsibility for managing the CRA's SD Strategy. It also plays a major role in implementing, monitoring, measurement and reporting to stakeholders on SD progress. Other responsibilities include responding to audits initiated by the Commissioner of the Environment and Sustainable Development (CESD), developing tools and communication materials, and developing and delivering learning programs to approximately 40,000 employees of the CRA. The SD Division also represents the CRA on several federal committees including:

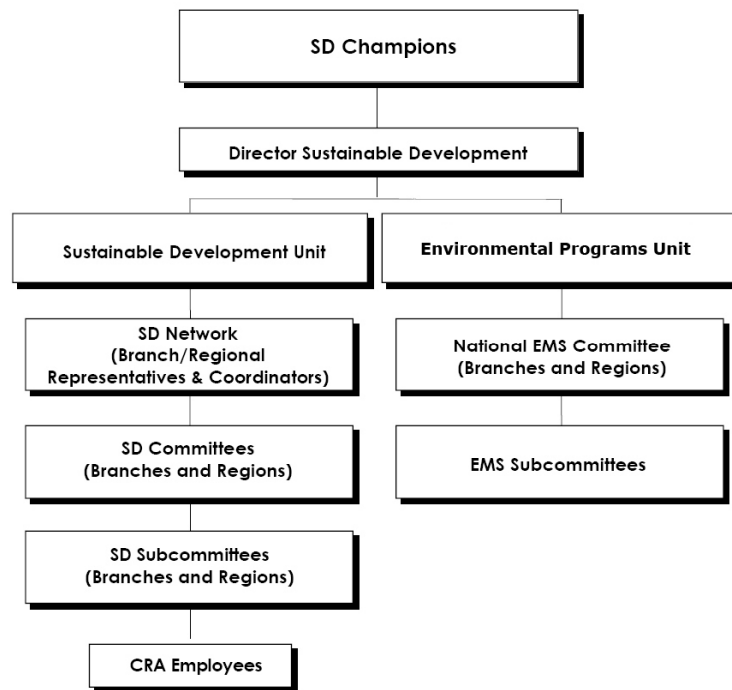
- The Interdepartmental Network for Sustainable Development Strategies; and,
- The Interdepartmental Committee on Greening Government Operations.

The work of the SD Division is steered by senior management SD champions who form the Sustainable Development Steering Committee (SDSC). The SDSC provides ongoing support and direction to the SD Division. The SDSC reports to the Agency Management Committee on the

implementation of the Strategy and on CRA plans for making operations and service delivery more efficient and environmentally responsible.

The Division is supported by the Sustainable Development Network and the National Environmental Management System Committee (NEMSC). The SD Network consists of representatives and coordinators in all CRA branches and regions and enables SD management throughout the Agency. The majority of SD coordinators have established committees, and in some cases subcommittees, that support the implementation of local SD plans. The NEMSC approves targets and monitors progress on identified environmental issues of importance to the CRA. Representation on this committee is CRA-wide and function specific.

The exhibit below illustrates the governance structure for the Agency’s SD Program



Both the SD Network and SD Division report performance quarterly through a web-based Performance Reporting (PR) Tool designed for the SD program. Mechanisms for regular reporting are also in place for all EMPs through the Environmental Management System (EMS).

SD performance is summarized and presented to management in various fora including the SDSC, the Agency Management Committee and the Board of Management, through a number of reports. For example, SD performance is included in CRA in-year reports, such as Agency quarterly reports and the Finance and Administration Branch's functional business plan reports, and the CRA's Annual Report to Parliament. The annual *Performance Report on Sustainable Development* (i.e., this report) represents the CRA's most detailed report on SD performance.

One important audience for the CRA's SD performance information is the Commissioner of the Environment and Sustainable Development (CESD). The CESD has a mandate to monitor

federal departments and agencies' implementation of their SD Strategies. Audits are one tool used by the CESD to assess performance against expected results. Audit results are normally the subject of the Commissioner's Annual Report to the House of Commons and provide important guidance for the CRA.

SD program costs for 2006-2007

During the 2006-2007 fiscal year the Agency invested approximately \$1.5 million in direct costs (personnel and operating) for the SD Division in Ottawa and regional offices to implement the Sustainable Development program (see **Table 1**).

Table 1: Sustainable Development Program Costs (2006-2007)

Expenditure Overview	Resource Type		
	Salary	O&M	Total
Headquarter	896	302	1,198
Regions	300	18	318
Total:	1,196	320	1,516

Many of the initiatives in the CRA's SD Strategy, while aimed at environmental improvement, had the added benefit of improving the Agency's economic efficiency, or conferred benefits to other areas of society. Examples include:

- Reducing greenhouse gas emissions by improving fleet fuel efficiency also reduced fuel expenditures;
- The CRA's 'No Waste Program' helped to extend the life of municipal landfills and contributed to local recycling programs; and,
- Increased use of electronic forms and internal paper reduction initiatives reduced the Agency's paper costs.

While in some cases the initial cost of purchasing green products (e.g., hybrid vehicles) is more than for buying non-green alternatives, this price premium does not apply in all cases of green procurement. In other instances the costs are neutral (e.g., E85 vehicles, E10 fuel), and for some products, buying green is less expensive. One example of this green *benefit* is illustrated with remanufactured toner cartridges. During 2006-2007 the Agency spent \$2.3 million on toner cartridges of which \$162,000 or 7.1% were remanufactured toners. When we compared the price of the remanufactured toner to the price of the original toner cartridge that it replaced, a cost savings of \$82,108.00 was achieved for the fiscal year.⁹

Measuring these benefits in dollar terms is challenging. However, the CRA has taken steps to improve its understanding in this area, and we will continue to improve our knowledge of the full range of costs and benefits associated with our SD Strategy.

⁹ Data from Strategic Sourcing Section, Contracting Division, Administration Directorate, personal communication, 10 July 2007.

APPENDIX 2:

Index of Sustainable Development Progress

In the early implementation stages of our third SD Strategy, senior management raised concerns about the CRA ability to measure SD progress over time. A move towards results-based reporting was the desired direction.

To this end the SD Division investigated several performance measurement and reporting models to address management's concerns, as well as, meet the expectations of key external stakeholders, including the Commissioner of the Environment and Sustainable Development (CESD). The result of the investigation and subsequent consultations was the development of the Index of Sustainable Development Progress (ISDP).

The Index sought to report against SD results instead of activities; thereby, measuring and reporting SD performance with greater clarity and simplicity, reduced subjectivity, and comparability across time and between regions.¹⁰ A key feature of the ISDP was the establishment of weights for each activity, target, and goal of the SD Strategy. The SD Division tested and undertook a review of the ISDP between 2005 and 2007.

The decision was taken to focus available resources on improving the project management aspect of SD management and reporting, and revisit the issue of weighting once this aspect has been strengthened. Consequently, the SD Division finalized the *Results-based Management Accountability Framework (RMAF)*¹¹ for the SD Program, began work to design a revised Web-based Performance Reporting (PR) Tool for SD, and to provide the SD Network with tools to enhance implementation of their SD Action Plans.

¹⁰ Measuring and Tracking Real Results, Indexing an Evolved CRA SD System: The CRA Index of Sustainable Development Progress (Draft), Lisa Vandehei, MSc., September 2005.

¹¹ The RMAF outlines a strategic approach for CRA to monitor SD performance.

APPENDIX 3:

Performance on 2006-2007 Activities of the National Action Plan (2004-2007)

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Goal 1: Reduce the effects of our operations on land, air, and water		
Objective 1.1: Reduce waste and ensure efficient use of resources		
Target 1.1.1 (4 activities)	Annually continue to reduce gasoline consumption by CRA on-road fleet Target: ✓ Achieved Measure: ✓ Established Litres per km of gasoline consumed, and reduction in GHG emissions. Results: Not final	The CRA refreshed its Environmental Management Program (EMP) for Fleet to continue systematic and sustainable management of CRA vehicles. During the period we met 100% of targets under this program. Among the highlights were: <ul style="list-style-type: none"> • Exceeded the requirements of the <i>Alternative Fuels Act</i> that require the Agency to purchase ATF vehicles, where cost effective and operationally feasible. We bought 24 vehicles in 2006-2007, of which 6 were hybrids, and 2 were ATF (gas/ ethanol). The CRA fleet now contains 14% gas-electric hybrids and 23% alternative fuel vehicles. • Promoted the use of ethanol through an ethanol awareness package that was distributed to all Car Fleet Managers in March 2007. The package included CRA directives and promotional items related to the benefits of ethanol. This material was shared with the fleet operators and information packages were incorporated into the in-vehicle binders. • Offered the Sustainable Business Travel online course to CRA employees who operate CRA vehicles – a total of 30 employees completed the course. • The Administration Directorate started collaborations with the SD Division to integrate SD criteria in the new <i>CRA Fleet Manager’s Handbook</i>. The draft handbook is also being used to develop a <i>CRA Fleet Management Directive</i>. <p>Four of four activities completed</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 1.1.2 (5 activities)	<p>Reduce outside emissions (GHGs) as a result of employee travel (commuting and business travel)</p> <p>Target: ✓ Achieved</p> <p>Measure: In progress Percentage reduction of outside emissions (GHGs)</p> <p>Results: Under development</p>	<p>During 2006-2007, we had 1 activity scheduled to achieve the target. This required us to develop a methodology for deriving an outside emissions baseline. We consulted with the SD Network on the draft <i>CRA Commuter and Business Travel Strategy</i> that included a methodology for establishing the baseline. The strategy document, along with the baseline methodology was finalized in August 2006.¹ Work will continue in the new Strategy to apply the methodology in order to determine GHG emissions.</p> <p>We continued implementation of the Environmental Management Program (EMP) for Outside Emissions. A total of 13 of 15 EMP targets were met.</p> <p>One of one activity completed</p>
Target 1.1.3 (4 activities)	<p>Divert solid waste from landfill by an average of 60% in selected facilities occupied by the CRA</p> <p>Target: ✓ Achieved</p> <p>Measure: ✓ Established Average diversion rates at participating facilities</p> <p>Results: 79% for 2006-2007</p>	<p>Four activities were scheduled for completion during the period. This included one activity that was brought forward from 2005-2006 that related to the implementation of the No Waste Program in 3 remaining selected facilities. We implemented the No Waste Program in 1 of the facilities, and due to resource constraints implementation of the Program did not go forward in the other 2 facilities. However, these 2 facilities continued their solid waste reduction efforts.</p> <p>The CRA advanced year 3 plans to measure solid waste diversion rates. We contracted two organizations to perform waste audits in the 29 selected facilities. Physical sort audits were completed in 10 facilities, and comparative audits were completed in the remaining 19 facilities. The results showed that the CRA achieved a diversion rate of 79%², surpassing the targeted rate of 60%. These 29 facilities represent approximately 50% of CRA's employees.</p> <p>The SD Division and the SD Network collaborated successfully with organizers to integrate waste management initiatives into various CRA events. The SD Division provided support to social committees and executive offices to further integrate waste diversion into local events. One example of a waste management initiative was the composting of organic waste during the Finance and Administration Branch Government of Canada Charitable Workplace Campaign (GCWCC) Fair.</p> <p>Implementation of other solid waste targets continued under the Environmental Management Program (EMP) for Solid Waste. A total of 7 of 9 targets were met or mostly met.</p> <p>Two of four activities completed; two in progress</p>

¹ *CRA Commuter and Business Travel Strategy: Final Report*, prepared by Noxon Associates Limited.

² The results were still preliminary as at March 31, 2007.

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 1.1.4 (3 activities)	Strengthen implementation of the CRA Procurement Policy and Green Procurement Guidelines and Procedures Target: ✓ Achieved Measure: ✓ Established Percentage of green products purchased Results: 16.9% for 2006-2007	<p>The CRA continued the systematic integration of SD criteria in the purchasing decisions of the Agency. The positive trend in the percentage of green products purchased continued in 2006-2007. The total value of green products purchased (included publishing, fleet, and WBRO goods) was \$16.9 million or 16.9%. This compared to 7.4% in 2005-2006. These results were enabled by the following interventions:</p> <ul style="list-style-type: none"> • Included environmental specifications/ criteria in 100% (4 of 4) of strategic sourcing contracts issued in 2006-2007. This included SD requirements and evaluation criteria (both mandatory and rated) in the strategic sourcing Request for Proposal (RFP) for filing and storage cabinets; • Included SD requirements and evaluation criteria in the draft strategic sourcing RFP and Statement of Requirements for office chairs; • Reviewed the opportunity assessment for print output devices, and included environmental criteria such as ISO 14001 certification, energy star certification, consumables reuse/recycling programs, in the draft Statement of Work. • CRA worked with our stationary supplier, Lyreco, to develop a brochure highlighting a selection of green office products that are available within WBRO. The brochure was distributed to all CRA acquisition cardholders. • Incorporated SD messaging in communications to procurement officers across the CRA. Training material provided to procurement staff and acquisition card users also contained information on green procurement. <p>A total of 13 of 14 targets were met under the Environmental Management Program (EMP) for Procurement.</p> <p>Three of three activities completed</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 1.1.5 (2 activities)	<p>Annually improve electronic capabilities of internal forms and publications</p> <p>Target: ✓ Achieved</p> <p>Measure: ✓ In progress</p> <p>Paper saved through the use of electronic forms, publications, and systems.</p> <p>Results: 849,198 sheets of paper saved in 2006-2007</p>	<p>The activity to examine existing inventory of internal forms to identify opportunities to increase electronic capabilities was completed in 2005-2006. The results showed that 92% of CRA's 1,892 registered forms had electronic capabilities. Purchases through CRA Web-based procurement tool, WBRO, recorded 121,314 transactions in 2006-2007. With an average of 7 sheets of paper per transaction, the electronic system saved an estimated 849,198 sheets of paper.</p> <p>In addition, the SD Division worked with Public Affairs Branch's Electronic and Print Media Directorate (EPMD) to review procedures for eliminating obsolete forms, and support electronic capabilities of forms. Procedures were improved through the introduction of the second iteration of CRA Publishing Plan Automated Tool for tracking and forecasting registered publications.</p> <p>One of two activities completed; one activity³ was dropped</p>
Target 1.1.6 (5 activities)	<p>Reduce internal consumption of paper (printing and photocopying) by 2% per employee based on the national baseline year (2001–2002)</p> <p>Target: ✓ In progress⁴</p> <p>Measure: ✓ Established</p> <p>Percentage of reduction in paper consumption per employee</p> <p>Results: Paper use was 5,761 sheets per FTE for 2006-07 – a 1.5% reduction over three years</p>	<p>Internal paper use per employee continued its downward trend. For 2006-2007, the CRA reduced its internal paper consumption to 5,761 sheets per employee, a reduction of 646 sheets per employee vis-à-vis 2005-2006. However, we missed the targeted 2% reduction rate by 31 sheets per FTE. Notwithstanding, significant decreases in paper use were achieved during the last two years of the 2004-2007 SD Strategy. These results were attributed to the systematic implementation of paper reduction initiatives. These included:</p> <ul style="list-style-type: none"> • The strengthened Duplex by Default Printing Standard increased the percentage of networked printers set to duplex by default to 90%, as compared to 82% in 2004-2005. • Updated and launched Agency-wide the fourth <i>National Paper Reduction Campaign</i> via the Paper Talk Web site for Earth Day 2006. Also, a Web page was created on the site, with links to Campus Direct learning products that promote efficient paper use. Overall webpage hits on Paper Talk fell 39% compared to 2004-2005. This may have resulted from the communication method used, and competing branch and regional SD Web sites. • Introduced the <i>Office Paper Dashboard</i> as an improved way of analyzing and communication information on office paper consumption to the SD Network. The dashboards provided paper consumption information that allowed analysis by cost centre. <p>Twelve of 15 targets in the Environmental Management Program (EMP) for Paper were met or mostly met.</p> <p>Four of four activities completed</p>

³ Activity 1151 was dropped due to the system requirement for paper. It addressed the implementation of the proposed Shared Travel Services Initiatives.

⁴ Although all activities of the target were completed, it fell short of achieving the planned 2% reduction.

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Objective 1.2: Comply with environmental legislation and regulations		
Target 1.2.1 (2 activities)	<p>Annually prevent the release of halocarbons into the atmosphere Target: ✓ Achieved</p> <p>Measure: ✓ Established Annual number and amount of halocarbon releases Results: No release reported for 2006-2007</p>	<p>Maintaining an updated inventory for CRA Halocarbon containing equipment enhances CRA's ability to prevent and respond to reported releases. Halocarbons are found in refrigerant and cooling systems, such as refrigerators, and air conditioners. We are challenged to maintain an up-to-date inventory due to:</p> <ul style="list-style-type: none"> • Decentralized purchasing process for equipment; • Indirect management of facility operations given our tenant status; and • Poor information transfer to the appropriate authority when systems are sometimes moved. <p>By March 31, 2007, the National Halocarbon Inventory contained system information for 84% of CRA's facilities.</p> <p>There was no Halocarbon release reported during the period.</p> <p>A total of 8 of 10 targets under the Environmental Management Program (EMP) for Halocarbons were met or mostly met.</p> <p>Two of two activities completed</p>
Target 1.2.2 (2 activities)	<p>Reduce the use of hazardous substances, where feasible, and properly dispose of hazardous waste Target: ✓ In progress</p> <p>Measure: ✓ In progress Number of programs for the disposal of hazardous products Results: Responded to 10 enquiries</p>	<p>Research was conducted to assess, among other things, the amount and types of batteries used by the CRA, as well as, the regulations that govern their disposal. Due to competing priorities, the SD Division did not develop formal guidelines for the implementation of battery recycling programs but will continue to undertake required research in the next period.</p> <p>The Administration Directorate developed procedures for donating CRA Surplus Moveable Assets. These procedures apply to all moveable assets that belong to the CRA except vehicles, but including cellular telephones and information technology equipment.</p> <p>The EMP for Hazardous Waste was implemented and 5 of 7 EMP targets were met. Performance was documented and reported in annual EMP reports.</p> <p>One of two activities completed; one in progress</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Goal 2: Our programs demonstrate sustainable service delivery		
Objective 2.1: Enable efficient and innovative program delivery		
Target 2.1.1 (4 activities)	Promote sustainable work and travel arrangements among internal auditors in the Corporate Audit and Evaluation Branch (CAEB) Target: ✓ Achieved Measure: ✓ Established Percentage of auditors committing to using sustainable work and travel arrangements. Results: 18 auditors committed to taking at least one action in 2006-2007	<p>The Sustainable Business Travel (SBT) course is a one-hour on-line course that consists of 4 modules. They address course introduction, smart driving, alternatives to driving, and business travel. Each module concludes with a review of best practices and a short quiz to reinforce the concepts presented in the module</p> <p>The SBT course was delivered to auditors of the Corporate Audit and Evaluation Branch (CAEB) in 2006. A total of 82 of 108 (76%) employees of the branch took the course. This included 58 (87%) of the 67 Internal Auditors of the branch⁵.</p> <p>The SD Division also explored the feasibility of offering the course to frequent travellers, beginning with Compliance Programs Branch (CPB), which employs approximately 900 employees in Headquarters (HQ) and has functional authority for tax auditors in the regions. CPB will work with the SD Division to disseminate the course information to their employees. The course was also taken by 30 fleet operators.</p> <p>Participants evaluated the course by submitting a course evaluation form. The results were favourable, with employees indicating that the program was informative and a good use of their time.</p> <p>Two of two activities completed</p>

⁵ Participation rates were calculated by measuring the number of employees who submitted a course evaluation form.

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 2.1.2 (3 activities)	<p>Reduce paper use in tax and benefits program delivery Target: ✓ In progress</p> <p>Measure: ✓ In progress Reduction of paper use in program delivery Results: Unavailable</p>	<p>Providing taxpayers with increased convenience and accessibility through electronic filing and payment technology saves paper and associated costs, and encourages voluntary compliance with tax obligations, thereby protecting Canada's revenue base. For 2006-2007, the CRA processed more than 25 million <u>individual returns</u>, over half of which were filed electronically; and refunded \$21.2 billion to more than 16 million individual taxpayers. There were more than 500,000 users and over 2.6 million visits to the My Account Web pages. Electronic returns for individuals were 50.6%, which represented a 1.2% increase over the previous year.</p> <p>For <u>business returns</u>, the CRA administered about 1.5 million employer accounts, processed more than 1.6 million corporate returns, and almost 6.3 million GST/HST returns. Electronic take-up of corporate returns was 15.5%, an increase of 5.7% over 2005-2006.</p> <p>The trend over the last three years for the electronic take-up of tax filing has been positive. Individual use of electronic tax filing increased from 49.4% in 2004-2005 to 50.6% in 2006-2007, while corporation use of electronic tax-filing more than doubled – increasing from 5.9% in 2004-2005 to 15.5% in 2006-2007.</p> <p>For the benefits program, the telephone continued to be benefit recipients' preferred method of contacting the CRA. Resulting from efforts to increase online services, visits to the Child and Family Benefits Web pages increased from 1.94 million views in 2004-2005 to 3.67 millions views in 2006-2007. Similarly, the use of the web service for Children's Special Allowances (CSA) increased from 25.9% in 2004-2005 to 31.5% in 2006-2007.</p> <p>Given the increasing use of electronic tax services by taxpayers, the SD Division sought to determine paper savings to the CRA resulting from the reduction in paper tax filing. Previous years' work identified the sources and quantities for external paper use by the CRA. They fell in the main categories of letters to clients, publications, and forms.</p> <p>This information gathering exercise would have assisted us in measuring paper used to serve our external clients and taxpayers. However, given the large scale of the project, and with limited resources, we strategically deferred measurement and incorporated the activity under the Environmental Management Program for Paper, to be pursued under SD Strategy 2007-2010. Specifically, this activity will be implemented under the target, which aims to simplify the tax filing process and reduce paper burden, through the use of electronic services.</p> <p>Several new electronic learning products were launched this year, including, for example: TD4649-001 My Business Account for e-service Help Desk Agents and TD4649-002 My Business Account for Business Window Agents.</p> <p>Two of three activities completed; one in progress</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Objective 2.2: Enhance partnerships to support shared sustainable development objectives		
Target 2.2.1 (3 activities)	Integrate sustainability criteria into negotiations, discussions, partnerships, and decision-making with provinces and territories, and other government agencies/ departments on CRA business Target: ✓ In progress Measure: ✓ In progress Percentage of negotiations, discussions, partnerships, decision-making with partners that the SD Criteria are applied to Results: Not applicable	Having defined sustainability criteria for partnerships, we continued to work to position the criteria for use in partnership agreements ⁶ . As a key step, we identified the document “ <i>Developer’s Guide for Collaborative Written Arrangements</i> ” as the appropriate vehicle for promoting the use of the Criteria. The SD Criteria was included in the draft document, which is undergoing review for finalization within the Corporate Strategies and Business Development Branch (CSBDB). Work on this target will continue into the new SD Strategy. In the 2006 report to Parliament, the Commissioner of the Environment and Sustainable Development (CESD) examined this commitment (Target 2.2.1). The CESD observed that, at the time of the audit, satisfactory progress had been made on establishing a definition for sustainability criteria, and in identifying opportunities for the inclusion of criteria. However, the Commissioner rated progress on integrating the criteria (into identified documents and guidelines) as unsatisfactory. The CESD concluded that the CRA had achieved overall satisfactory progress on this selected commitment. Since the audit, marginal progress has been realized in finalizing the Guide for use. Delays resulted from organizational re-direction and staff turnover. Nevertheless, work continued to finalize the document. Two of two activities completed
Objective 2.3: Communicate our commitment to sustainable development to the public		
Target 2.3.1 (1 activity)	Convey our SD commitment to the public Target: ✓ In progress Measure: ✓ Established Percentage of public that perceive the CRA as being committed to SD Results: 53% for 2006-2007	The Appeals Branch was the only 1 of 5 branches that placed SD messaging on their Web page that serviced the public. Other branches supported implicit SD messaging through their provision of electronic service options. SD Strategy 2007-2010 will continue work in this area. Zero of one activity completed; one in progress

⁶ Sustainability Criteria for Partnerships consist of a series of relevant prompt questions under the broad headings of Economic, Social, Environment, and Good Governance considerations.

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Goal 3: All employees apply sustainable development in their job		
Objective 3.1: Demonstrate leadership and commitment to sustainable development		
Target 3.1.1 (2 activities)	CRA's leaders will demonstrate their support for sustainable development in the workplace Target: ✓ Achieved Measure: ✓ Established Percentage of annual branch and regional SD commitments completed Results: 41% for 2006-2007	Ongoing leadership on SD continues to be an important success factor for the CRA. We encouraged management to demonstrate leadership for SD through inclusion of SD clauses in their performance agreements. To enable this, the SD Division provided a menu of suggested clauses that support the SD Strategy, and posted this information on the InfoZone. In addition, the SD Division provided examples for preparing the SD content in performance agreements for the Executive Cadre (EC). For the Management Group (MG), SD Division provided SD references in the CRA's performance pay and leave guidelines. By the end of this period, 100% of Assistant Commissioners (AC) had SD clauses in their performance agreements. A total of 68% of EC contracts included SD commitments, while the results for MGs are awaiting confirmation. Indications are that the 15% target was exceeded for MGs as well. Two of two activities completed
Target 3.1.2 (1 activity)	Integrate SD messages into processes for attracting new employees Target: ✓ Achieved Measure: ✓ Established Number of hiring processes that included SD messages Results: 100% for 2006-2007	The two activities that supported the target were completed by 2005-2006. CRA communicated its commitment to SD through its internal and external career development Web pages, thereby reaching 100% of users. Activity completed in 2005-2006 - none scheduled for completion in 2006-2007.

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Objective 3.2: Raise the level of employee involvement and support for sustainable development		
Target 3.2.1 (3 activities)	<p>Annually strengthen and support the national SD Network, other SD committees and grassroots employee efforts in all branches and regions</p> <p>Target: ✓ Achieved</p> <p>Measure: ✓ Established SD Network's level of satisfaction with support from the SD Division</p> <p>Results: 80% for 2006-2007</p>	<p>The SD Division continued its provision of guidance and support to the SD Network. This included:</p> <ul style="list-style-type: none"> • Quarterly meetings with the national SD Network, and one-on-one meetings with SD Coordinators; • A full-day SD forum with the SD Network in April 2006 to solicit their input on future directions for the SD Program. The exercise supported the preparation of SD Strategy 2007-2010. • Held SD awareness session in December 2006 for 13 participants (SD coordinators and committee members), and a coordinator orientation session in November 2006 for 5 five new SD Coordinators. <p>Encouraged SD innovation from among employees through the launch of CRA Sustainable Development Innovation Fund (SDIF). A total of 35 submissions were received, from which 5 projects were selected and awarded a total of \$50,000 for implementation in 2007-2008.</p> <p>Two of two activities completed</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 3.2.2 (9 activities)	<p>Annually implement the Learning Strategy for Sustainable Development Target: ✓ Achieved</p> <p>Measure: ✓ Established Percentage of employees who are aware of CRA SD program Results: 73% (2004 survey)</p>	<p>The Learning Plan and Curriculum for SD were completed in 2005-2006. Implementation continued at year-end. The findings were used to revise the Communications Strategy for 2007-2010, which sought to strengthen the Plan for increasing awareness of SD within the CRA. SD Coordinators and their committees were asked to align their communications activities and products on the national communications strategy (while reflecting the branch or region's unique circumstances and staff needs). Specific courses provided included:</p> <ul style="list-style-type: none"> • Sustainable Business Travel training delivered to CRA internal auditors and CRA fleet operators • Revision and delivery of the SD Module in the MG Learning Program. • Inclusion of SD messages in communication and learning materials for fleet and procurement officers <p>Completed the redesign of the SD Web site, and launched it as part of CRA's national Waste Reduction Week activities. The current SD website was developed by consolidating three primary SD websites to eliminate redundant content and links. The redesign sought to make the site more accessible and user-friendly. This website complies with the Common Look and Feel Standards for CRA Intranet and Internet.</p> <p>The follow-up national survey to track changes in the level of SD awareness among CRA employees was strategically deferred to Fall 2007, to benefit from the timing of two full years since the baseline survey, and increased communications and awareness activities in branches, regions, and local offices.</p> <p>Three of four activities completed; one activity deferred</p>
Target 3.2.3 (1 activity)	<p>Annually recognize employees and improve opportunities to recognize employee contributions to sustainable development in the workplace Target: ✓ In progress</p> <p>Measure: ✓ In progress Number of employees recognized for their SD contributions at the CRA, and type of recognition received Results: Unavailable</p>	<p>By March 2007, the toolkit for SD Recognition was developed and provided to the SD Network and the CRA recognition community for comments. The toolkit will be finalized and released in 2007-2008.</p> <p>Recognition is still ad hoc and most recognition is at the local level. However, other avenues for recognizing employees were also used. For example, employee SD contributions were recognized and highlighted on the <i>Everyday Champions</i> section of the SD Website.</p> <p>Zero of one activity completed; one in progress</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Goal 4: Modern systems that support and maintain sustainable development		
Objective 4.1: Monitor, measure, and report our sustainable development progress		
Target 4.1.1 (6 activities)	Maintain the national online data management system for SD Target: ✓ Achieved Measure: ✓ Established Meet reporting timelines of the CRA and the commissioner of the environment and sustainable development Results: 2/3 (66%) reporting timelines met for 2006-2007	<p>To maintain and improve on CRA's ability to report against its SD commitments, we refreshed the Web-based Performance Reporting (PR) Tool. The following are incremental changes made to the PR-Tool during the period:</p> <ul style="list-style-type: none"> • Updated user profiles to reflect branch and regional jurisdictional changes • The updated National Action Plan and branch/regional action plans were added to the PR database • Improved and streamlined data and information storage and archiving <p>This work enabled the branches and regions to report against their year-three SD commitments. An initial user/system requirements document was prepared for additional improvements to the PR-Tool and platform/software options were explored.</p> <p>The performance information reported through the PR-Tool enabled the SD Division to prepare quarterly SD report cards for management briefs, and respond to the reporting requirements of the CRA.</p> <p>Using quarterly results for green procurement and multi-purpose office paper use, the SD Division prepared and provided the SD Network with Quarterly Report Cards, called "Dashboard". This reflected performance information by Branch, Region and Cost Centre. We will continue to improve on these report cards.</p> <p>SD Performance was included in CRA Annual Report 2006-2007 (Schedule B), and detailed in the annual <i>Performance Report on Sustainable Development 2005-2006</i>, which was published and released on the CRA website.</p> <p>Four of four activities completed</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 4.1.2 (5 activities)	Develop and improve upon the CRA's Environmental Management System (EMS) Target: ✓ Achieved Measure: ✓ Established Timely reporting of EMP targets Results: 2/3 (66%) reporting timelines met for 2006-2007	As part of the cycle of continual improvement for the Environment Management System (EMS), we: <ul style="list-style-type: none"> • Held 3 National EMS Committee Meetings in April 2006, November 2006 and March 2007. Two paper subcommittee meetings were also held in 2006-2007. • Developed and approved the 2006-2007 EMPs through the National EMS Committee on July 21, 2006. • The CRA Board of Management approved the revised CRA Environment Policy on December 7, 2006. Three of three activities completed

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 4.1.3 (3 activities)	<p>Update the SD Strategy for 2007-2010 Target: ✓ Achieved</p> <p>Measure: ✓ Established Favourable review of the SD Strategy by the Commissioner of the Environment and Sustainable Development</p> <p>Results: Satisfactory assessment for audit on SD Criteria in partnership in 2006-2007</p>	<p>The preparation of SD Strategy 2007-2010 was a significant exercise for the SD Division and the CRA. The process started with an internal assessment of the current strategy – identifying areas of strengths and successes, and areas for improvement. We conducted numerous consultations with the SD Network, as well as subject matter experts in various program and corporate areas of the CRA. It was determined to continue the course set by previous SD strategies, while deepening the foundation laid through innovation, improved processes, and strengthened support. The Strategy and National Action Plan were approved by the CRA Board of Management and the Minister. The Strategy was tabled in Parliament on December 1, 2006.</p> <p>The CRA Sustainable Development Policy was reviewed in conjunction with the preparation of SD Strategy 2007-2010. Most sections were updated to better align with the revised Strategy. It was approved by the CRA Board of Management on December 7, 2006.</p> <p>Three of three activities completed</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Objective 4.2: Assess the economic, social, and environmental impacts of our programs, policies and plans		
Target 4.2.1 (6 activities)	Integrate sustainability criteria into CRA programs, policies, and business plans Target: ✓ In progress Measure: ✓ In progress Number of programs, policies and plans developed or revised using the SD Criteria Results: 7 for 2006-2007 (Ad hoc)	<p>Sustainability Criteria were developed as a tool to enable employees to apply SD thinking in their work, specifically for policy, program, and plan development and renewal. The Criteria were defined in year one of the strategy. They were included in the guide document for developing corporate policies, but integration into program policies was not pursued.</p> <p>However, we continued ad hoc application of the SD Criteria to specific policies and directives, such as the Travel Policy. The Financial Administration Directorate completed a review of the CRA Travel Policy. The review involved consultation with stakeholders of the CRA, including travellers, travel administrators, financial administrators, managers, national union officials, senior management, and the SD Division.</p> <p>Sustainable travel criteria were incorporated in the revised policy. These included a green maple leaf symbol throughout the policy to highlight sustainable travel provisions. Examples of these travel options are public transportation, walking distance, hybrid vehicle rental, eco ratings for accommodations, links to videoconferencing/ teleconferencing web sites as an alternative to travel, and link to a fuel consumption ratings tool web site. The revised CRA Travel Policy was approved by the Board of Management in June 2006, and released to employees in December 2006. Given the importance of the use of the sustainability criteria to deepening SD integration in the CRA, work will continue under the new SD Strategy.</p> <p>For 2006-2007, the CRA reported a total of 597 video and audio conferences, involving 11,455 participants, and totaling 2.2 million minutes. This represented a 19% increase in the number of video and audio conferences held, and a 66% increase in the number of participants vis-à-vis fiscal year 2005-2006. The use of conference minutes was approximately the same. Over the three-year SD Strategy, the use of video and audio conferences grew by over 100%, while the number of participants grew by over 300%.</p> <p>The release of the internal communiqué to employees promoting videoconferencing was delayed, and will be sent out in fiscal year 2007-08. However, video-conferencing was promoted by the Internal SD Champion through the Summer 2006 SD Quarterly Newsletter that was released on InfoZone. A link was also included to the video-conferencing Web site.</p> <p>One of four activities completed; three in progress</p>

Target (2004-2007)	Target status	Performance summary of activities for 2006-2007
Target 4.2.2 (3 activities)	Develop and implement a line of enquiry procedure into corporate audit and evaluation processes to capture information on the level of sustainable development integration in programs and operations Target: ✓ In progress Measure: ✓ Established Level of SD integration into programs and operations Results: Zero for 2006-2007	The SD Line of Enquiry (LOI) was developed as a means of engaging the Internal Audit community of the Corporate Audit and Evaluation Branch (CAEB) to use their function to assess and by extension, encourage the integration of SD into CRA business and operations. The SD LOI was included in the Internal Audit Manual, which was released to all internal auditors. Its use is optional, and at the discretion of the auditor. During the period, the SD LOI was not employed in the internal audit process. However, the draft report of the audit on <i>Local Solutions</i> identified sustainable development, among others, as a relevant policy for which application could be enhanced if a single point of reference were available to developers of local solutions ^{7,8} . The CAEB has committed to consider/ use the SD LOI, where feasible, in the planning phase of future internal audits. One of two activities completed; one in progress

⁷ Audit Report on Local Solutions 2006-2007, Section 2.7, “Compliance with Policies on Official Languages, Adaptive Technology, and Privacy Impact Assessments”.

APPENDIX 4:

Performance Measures: Year to Year Comparison

Targets and measures	2006-2007	2005-2006	2004-2005
1.1.1 – Litres per kilometre of gasoline consumed Reduction in GHG emissions	Unavailable ¹	Unavailable ¹	0.113 litres/km 0.276 kg GHG/km
1.1.2 – Percentage reduction of GHG emissions	Unavailable ²	Unavailable	Unavailable
1.1.3 – Average solid waste diversion rates at participating facilities ³	79%	Not applicable ⁴	66%
1.1.4 – Percentage of green products bought ⁵	16.9%	7.4%	5%
1.1.5 – Paper saved through Agency-wide electronic forms, publications, and systems ⁶	849,000 ⁷	448,000 pages ⁸	5,000,000 pages ⁹
1.1.6 – Reduction in internal paper consumption	5,761 sheets per employee	6,407 pages per employee	7,234 pages per employee. ¹⁰
1.2.1 – Annual number and amount of halocarbon releases	Zero release	2 releases (0.004 kg)	1 release (0.004 kg)
1.2.2 – Number of hazardous substances and hazardous wastes managed under best practices ¹¹	Responded to 10 inquiries from CRA employees about hazardous materials and	Responded to 13 inquiries about a total of 7 types of hazardous materials and	Unavailable

¹ Reports have not yet been generated.

² Work on establishing a methodology for determining a baseline for measuring emissions is still underway.

³ Based on 29 facilities.

⁴ Due to their high costs, waste audits are only conducted every three years. Solid waste diversion rates were not calculated in 2005-2006, but audits of participating facilities were done in 2006-2007.

⁵ Percentage of expenditures on green products purchased made through the CRA's on-line purchasing tool (WBRO), fleet vehicles, and publishing.

⁶ Please note that the figures are not comparable year-to-year as we report on new paper saving initiatives each year.

⁷ The Administration Directorate's (AD) in-house procure-to-pay paperless e-purchasing tool (WBRO) eliminates paper requisitions, purchase orders and invoices. It has enabled AD to eliminate approximately 7 sheets of paper per transaction. For the 2006-2007 period, there were 121,314 transactions, resulting in 849,198 sheets saved.

⁸ This figure is based on the elimination of 28,000 hardcopies of *Interaction* between 2005-2006 and 2004-2005. Each issue of *Interaction* is 16 pages long

⁹ This figure is based on the paper savings associated with converting 'employee time and activity record forms' to electronic format.

¹⁰ Please note: a calculation error was detected in the course of the FTE paper consumption analysis for 2004-2005. As such, the actual annual consumption rate per FTE for 2004-2005 is 7,234 sheets per employee and not 7,055 sheets per employee as indicated in the 2004-2005 report.

¹¹ Hazardous and potentially hazardous materials are: batteries, fluorescent lights, electronic waste, Polaroid film, toner cartridges, used oil, and butane bottles.

Targets and measures	2006-2007	2005-2006	2004-2005
	potentially hazardous materials. ¹²	potentially hazardous materials	
2.1.1 ¹³ – Number of internal auditors who agree to undertake specific actions to become more sustainable local/long distance business travelers	-18 auditors agreed to undertake at least one specific action -17 auditors (local business travel) -16 auditors (long distance business travel) ¹⁴	-15 auditors agreed to undertake at least one specific action -14 auditors (local business travel) -15 auditors (long distance business travel) ¹⁵	Not applicable ¹⁶
2.1.2 – Reduction in paper consumption in program delivery	Unavailable ¹⁷	Unavailable ¹⁸	Unavailable
2.2.1 – Number of negotiations, discussions, partnerships, decision-making with partners that included sustainability criteria ¹⁹	Not applicable	Not applicable	Not applicable
2.3.1 – Percentage of public who perceive the CRA as being committed to sustainable development ²⁰	51% ²¹	42% ²²	Unavailable

¹² These inquiries included questions on disposal of batteries, microwave ovens, IT equipment, fluorescent lights and pesticides.

¹³ Please note that in the 2004-2005 Performance Report, the measure for Target 2.1.1 read “Reduction in travel and administration costs”. After review it was determined that results could not be determined for this measure due to the nature of activities associated with the target. We have therefore changed the measure associated with Target 2.1.1.

¹⁴ Once participants complete the Sustainable Business Travel (SBT) Course, they are encouraged to take a Travel Challenge, whereby they can commit to undertake specific actions to become more sustainable travellers. In the Corporate Audit and Evaluation Branch (CAEB) general rollout in November / December 2006, 18 internal auditors completed the SBT course. All 18 auditors took the Travel Challenge – that is, 18 auditors committed to undertake at least one sustainable travel action (local or long-distance travel).

¹⁵ Once participants complete the Sustainable Business Travel (SBT) Course, they are encouraged to take a Travel Challenge, whereby they can commit to undertake specific actions to become more sustainable travellers. In the pilot rollout in CAEB, in February 2006, 19 auditors participated in the course. Of these 19, 15 participants took the Travel Challenge – that is, 15 auditors committed to undertake at least one sustainable travel action (local or long-distance travel).

¹⁶ Project had not yet started.

¹⁷ Due to limited resources and the large scale of the project, it has been incorporated into SD Strategy 2007-2010.

¹⁸ There was no process in place to measure progress on this target.

¹⁹ In 2006-2007, SD Criteria were included in a draft guideline document within the Corporate Strategies and Business Development Branch. Data acquisition on application of SD Criteria is anticipated in 2007-2008.

²⁰ A survey of public opinion was conducted in 2005-2006 and again in 2006-2007.

²¹ In the 2007 survey, 51% of respondents indicated a positive response (strongly agree and somewhat agree on a 5-point scale).

²² In the 2005 survey, 42% of respondents indicated a positive response (responses 5-7 on a 7-point scale).

Targets and measures	2006-2007	2005-2006	2004-2005
3.1.1 – Percentage of annual branch/regional sustainable development commitments completed ²³	41% (39% branches, 44% regions)	48% (36% branches, 61% regions)	47% (37% branches, 58% regions)
3.1.2 – Number of new employees exposed to sustainable development messages in the hiring processes	100%	100%	Not applicable ²⁴
3.2.1 – Sustainable Development Network’s level of satisfaction with support from the Sustainable Development Division	80%	76%	76%
3.2.2 – Percentage of employees who are aware of the CRA’s Sustainable Development Program	Not applicable ²⁵	Not applicable	70%
3.2.3 – Number of employees recognized for their sustainable development contributions at the CRA, and the type of recognition received ²⁶	Unavailable	Unavailable	Unavailable
4.1.1 – Meet reporting timelines of the CRA and the CESD (CRA annual report, performance report, CESD audits)	66% met ²⁷	66% met	66% met
4.1.2 – Timely reporting of Environmental Management Program targets (CRA annual report, performance report, CESD audits)	66% met	66% met	66% met
4.1.3 – Favourable review of the Sustainable Development Strategy by the CESD	Satisfactory evaluation	Favourable evaluation	Favourable evaluation
4.2.1 – Number of new programs, policies, and plans developed using sustainability criteria	7 ²⁸	2 ²⁹	Unavailable
4.2.2 – Level of sustainable development integration into programs and operations (Number of internal audits that use the SD Line of Enquiry)	None ³⁰	Unavailable	Unavailable

²³ We are reporting estimates of the progress that branches and regions made annually on their commitments under their respective SD action plans. These percentages are calculations of: the number of sub-activities completed in a given year, expressed as a percentage of the number of sub-activities committed to for that annual period. Due to the limitations of the performance-reporting tool for data interpretation, these results are approximations.

²⁴ Implementation was planned for 2005-2006.

²⁵ A follow-up employee awareness survey has been deferred to 2007-2008.

²⁶ Continued development of the national employee recognition toolkit occurred in 2006-2007. Recognition is *ad hoc* at local levels and results should be available in 2008-2009 after implementation.

²⁷ For the year, 2 of the 3 reports identified were submitted on time.

²⁸ Results are ad-hoc and not based on a complete baseline survey.

²⁹ This figure is not based on a complete baseline survey.

³⁰ Sustainable development as a relevant policy for application was mentioned in one draft internal audit report. This figure is not based on a complete baseline survey.