



# Treasury Board of Canada Secretariat 2018–19 Fees Report





# **President of the Treasury Board's Fees Report for the 2018-2019 Fiscal Year**

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## President's message

On behalf of the Government of Canada, I am pleased to present the annual Fees Report, consolidating government fee information from the 2018 to 2019 fiscal year. This new report, introduced by the *Service Fees Act*, which came into force in June 2017, demonstrates that the Government is committed to openness and accountability in reporting on the service fees it charges to Canadians.

The new reporting framework set out in the Act requires that all departments that charge fees prepare an annual report for Parliament and Canadians that provides detailed listings of these fees, both current and future. As a result, federal departments reporting under the Act are now providing more information than in the past, which means more transparency of reporting on government business than ever.

Specifically, this report contains links to departments' reports, bringing this information together in one location and gives an overview of the government-wide external fee regime, which includes the different revenue streams and a breakdown of the fees.

In accordance with our commitment of last year, the annual report has been strengthened with additional detail. It now includes a summary of fees by department, an overview of revenue by fee-type and department, and information related to service standards.

I welcome the increased transparency and oversight provided under the *Service Fees Act* and I will continue to support the transition to a modern system of reporting on fees charged to Canadians by federal departments.

Original signed by

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The Honourable Jean-Yves Duclos, P.C., M.P.  
President of the Treasury Board



**The Honourable  
Jean-Yves Duclos**  
President of the Treasury Board

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## About this report

The *Service Fees Act* (SFA) came into force on June 22, 2017, replacing the former *User Fees Act*. The SFA modernized the Government of Canada's fee regime and established a solid foundation for departments, while providing fee payers with information on the level of service that they can expect.

The information in this report has been extracted from Departmental Fees Reports that were tabled under section 20 of the SFA and sections 4.2.8 and 6.3 of the *Directive on Charging and Special Financial Authorities* (Directive). Departmental reports contain information about all fees that are under departmental authority, even if some or all of the fees were collected by another department.

Fees charged by departments under the *Access to Information Act* (ATIA) are subject to the SFA, but they are not included in the Departmental Fees Reports. Information on each departments' access to information fees for fiscal year 2018 to 2019 is reported and tabled in their annual access to information report, and posted on their websites. In order to carry out the duties related to the ATIA, departments listed in schedules I, I.1 and II of the *Financial Administration Act* (FAA) collected \$579,953 in revenue, incurred \$68,282,726 in costs and waived \$37,778 in fees. The 2018 to 2019 ATIA statistical report can be found at Statistics on the Access to Information and Privacy Acts.

This consolidated report provides an overview of the Government's fee regime and has been broken-down into the following sections:

- ▶ Fees
  - › Provides information on the type of fees that are charged and the number of fees that were reported and tabled in Parliament.
- ▶ Revenue
  - › Provides total revenue for fees, along with highlights for the three revenue streams.
- ▶ Consumer Price Index (CPI)
  - › Summarizes the legislative requirement for an automatic annual adjustment.
- ▶ Remissions
  - › Explains remissions and outlines departmental responsibilities.

New this year, consolidated revenue for fees set by contract and set by market base, auction or both is being reported. Also, the requirement to adjust fees by CPI was effective as of April 1, 2019, therefore the first annual adjustment will be reported in the 2019 to 2020 fees report.





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Furthermore, remissions issued under the SFA will come into effect on April 1, 2021 and those will be reported in the 2021 to 2022 fiscal year.

## Fees

Under the Directive, all departments that have fees must produce a fees report, regardless of whether they are exempted from the SFA.

The Government of Canada has three mechanisms by which a department may charge fees for a service, use of facility, licence, permit or other authorization of a right or privilege, or product, and to recover, in whole or in part, costs that are incurred in relation to a regulatory scheme.

### 1. Fees set by contract

- › Ministers have the authority to enter into contracts. Therefore, these fees are usually agreed between the Minister and an individual or organization, for which the terms and conditions are negotiated.
  - Example: services provided to a foreign government to implement a Canadian regulatory model

### 2. Fees set by market base, auction or both

- › The Minister or department does not have any control over the fee amount, and the authority to charge is prescribed in an act
  - Example: auction of a licence to the highest bidder that meets the pre-established regulatory requirements

### 3. Fees set by act, regulation or fees notice

- › An act of Parliament delegates the fee-setting authority to a department, Minister or Governor-in-Council
  - Example: a fixed fee for the review of an application for a licence to operate in Canada

In 2018 to 2019, a total of 9,112 fees were reported and tabled in Parliament by departments, which were set by act, regulation or fees notice in government; 99 new fees were introduced, 45 fees were eliminated and 4,591 fees were under review. Table 1 highlights the 10 departments that have the most fees and also provides a total amount for the remaining fees for all other departments. The fees below reflect individual fees that are under the department's authority to charge.



Table 1: breakdown of fees set by act, regulation or fees notice

| Departments  | Number of fees (#) | Percentage of total revenue for fees set by act, regulation or fees notice (%) (Table 2) |
|--|--------------------|--|
| Parks Canada   | 3,647              | 4  |
| Transport Canada                                       | 2,270              | 1  |
| Canadian Food Inspection Agency                        | 852                | 2  |
| Innovation, Science and Economic Development Canada    | 636                | 18   |
| Fisheries and Oceans Canada                            | 475                | 3  |
| National Research Council Canada                       | 297                | 0.2  |
| Health Canada  | 194                | 4  |
| Natural Resources Canada                               | 156                | 0.1  |
| Crown-Indigenous Relations and Northern Affairs Canada | 79                 | 2  |
| Canadian Grain Commission                              | 75                 | 2  |
| All other departments (22)                             | 431                | 63.7   |
| <b>Total</b>   | <b>9,112</b>       | <b>100</b>   |

## Revenue

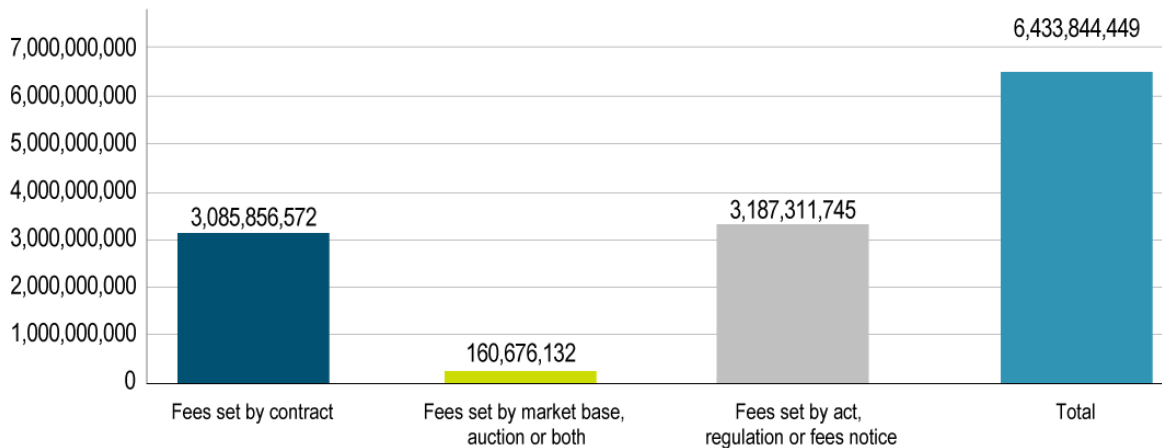
When fees are collected from fee payers, they are treated as revenue to the Government of Canada and, as mentioned in the Fees section, there are three types of revenue streams.

In the spirit of open and transparent fee management, departments must disclose lump-sum amounts for fees set by contract and fees set by market base, auction or both. Departments must provide greater detail for fees set by act, regulation or fees notice, as the reporting requirements were broadened in the SFA and Directive.

In 2018 to 2019, the Government of Canada collected \$6.4 billion in fees. Fees set by contract constituted 48% of the revenue. Fees set by market base or auction made up 2% of the total proceeds. Fees set by act, regulation or fees notice amounted to 50% of the fees that were collected.



Table 2: 2018 to 2019 total overall fee revenue



## Fees set by contract

Table 3 highlights the top 10 revenue-generating departments during 2018 to 2019, for fees set by contract.

Table 3: revenue generated from fees set by contract

| Departments                            | 2018 to 2019 revenue (\$) | Percentage of total revenue (%) (Table 2) |
|--|---------------------------|---|
| Royal Canadian Mounted Police          | 2,322,858,121             | 75.3                                      |
| National Research Council of Canada    | 170,556,696               | 5.5                                       |
| Public Services and Procurement Canada | 152,008,028               | 4.9                                       |
| Canada Revenue Agency                  | 145,397,184               | 4.7                                       |
| Environment and Climate Change Canada  | 82,639,483                | 2.7                                       |
| Indigenous Services Canada             | 58,118,978                | 1.9                                       |
| Parks Canada                           | 38,709,878                | 1.3                                       |
| Global Affairs Canada                  | 34,119,096                | 1.1                                       |
| Statistics Canada                      | 26,104,855                | 0.9                                       |
| National Defence                       | 16,650,487                | 0.5                                       |
| All other departments (28)             | 38,786,225                | 1.3                                       |
| <b>Total</b>                           | <b>3,085,856,572</b>      | <b>100</b>                                |



Variances from 2017 to 2018 are not available as 2018 to 2019 was the first year for which departments reported the revenue from these fees.

## Fees set by market base, auction or both

Table 4 lists the four departments that reported revenue for fees set by market base, auction or both, for fiscal year 2018 to 2019.

Table 4: revenue generated from fees set by market base, auction or both

| Departments   | 2018 to 2019 revenue (\$) | Percentage of total revenue (%) (Table 2) |
|---|---------------------------|---|
| Innovation, Science and Economic Development Canada | 77,934,857                | 48.5                                      |
| Public Services and Procurement Canada              | 75,025,367                | 46.7                                      |
| National Research Council of Canada                 | 7,289,659                 | 4.5                                       |
| Royal Canadian Mounted Police                       | 426,249                   | 0.3                                       |
| <b>Total</b>  | <b>160,676,132</b>        | <b>100</b>                                |

Variances from 2017 to 2018 are not available as 2018 to 2019 was the first year for which departments reported the revenue from these fees.

## Fees set by act, regulations or fees notice

In 2018 to 2019, the Government of Canada collected \$3,187,311,745 in fee revenue for fees that were set by act, regulation or fees notice. This represents an increase of \$222 million (7%) from the 2017 to 2018 fiscal year.

Table 5 highlights the top 10 revenue-generating departments during 2018 to 2019, which accounted for 90% of all revenue collected. Variances from 2017 to 2018 are also provided along with explanations for the top 10 revenue-generating departments.



Table 5: revenue generated from fees set by act, regulation or fees notice

| Departments  |   | 2017 to 2018<br>revenue (\$) | 2018 to 2019<br>revenue (\$)<br>(Table 2) | Variance from<br>2017 to 2018<br>to 2018 to<br>2019 (\$) | Variance<br>from 2017<br>to 2018 to<br>2018 to<br>2019 (%) | Percentage<br>of total<br>2018 to<br>2019<br>revenue (%)<br>(Table 2) |
|--------------|---|------------------------------|---|--|--|---|
| 1            | Immigration,<br>Refugees and<br>Citizenship Canada                                | 1,442,631,364                | 1,329,827,543                             | (112,803,821)  | -8   | 42  |
| 2            | Innovation, Science<br>and Economic<br>Development<br>Canada                      | 304,457,318                  | 583,941,009                               | 279,483,691  | 48   | 18  |
| 3            | Canadian Radio-<br>television and<br>Telecommunications<br>Commission             | 170,273,892                  | 176,946,890                               | 6,672,998  | 4  | 6   |
| 4            | Office of the<br>Superintendent of<br>Financial Institutions                      | 146,009,858                  | 158,764,099                               | 12,754,241   | 9  | 5   |
| 5            | Parks Canada  | 93,479,414                   | 125,642,686                               | 32,163,272   | 34   | 4   |
| 6            | Health Canada   | 125,104,350                  | 120,090,045                               | (5,014,305)  | -4   | 4   |
| 7            | Canadian Nuclear<br>Safety Commission   | 113,284,000                  | 116,872,326                               | 3,588,326  | 3  | 4   |
| 8            | Canada Energy<br>Regulator (formerly<br>known as the<br>National Energy<br>Board) | 103,262,930                  | 108,210,000                               | 4,947,070  | 5  | 3   |
| 9            | Fisheries and<br>Oceans Canada  | 84,941,929                   | 82,248,851                                | (2,693,078)  | -3   | 3   |
| 10           | Canadian Grain<br>Commission  | 68,956,868                   | 61,101,807                                | (7,855,061)  | -11  | 2   |
| Subtotal     |   | 2,652,401,923                | 2,863,645,256                             | 211,243,333  | 7  | 90  |
| 11           | Other departments<br>(22)   | 312,669,657                  | 323,666,489                               | 10,996,832   | 3  | 10  |
| <b>Total</b> |   | <b>2,965,071,580</b>         | <b>3,187,311,745</b>                      | <b>222,240,165</b>                                       | <b>7</b>   | <b>100</b>  |



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Variance analysis for the top 10 revenue-generating departments:

- ▶ Immigration, Refugees and Citizenship Canada
  - › The decrease in revenue is mainly attributed to the decrease in Passport applications which was anticipated, in the second half of the 10-year business cycle (2018 to 2019 to 2023 to 2024). The decrease in Passport revenue is partially offset by increases in Grant of Citizenship, Temporary Resident visa and Biometric-related applications and revenue.
- ▶ Innovation, Science and Economic Development Canada
  - › As a result of a change in the application of methodology by Innovation, Science and Economic Development from the 2017 to 2018 to 2018 to 2019 fees reports, specifically for fees set by act, regulations or fees notice, an additional approximate \$279.5 million, was captured with regards to fees for Radio and Spectrum Licences.
- ▶ Canadian Radio-television and Telecommunications Commission
  - › The ratification of several collective agreements in 2017 to 2018, including retroactive payments dating back to 2014 to 2015, was mainly responsible for the increase in revenue from the Broadcasting Licence Fee – Part I and the Telecommunications Fee as both fees are based on the recovery of costs for regulation activities. The remaining increase in the Canadian Radio-television and Telecommunications Commission revenue is attributable to the annual adjustment of the Broadcasting Licence Fee – Part II to the Consumer Price Index (CPI), at a rate of 1.6% compared to the previous fiscal year.
- ▶ Office of the Superintendent of Financial Institutions
  - › Variance mainly driven by increased assessments due to increase in costs as fee revenue is adjusted each year to fully recover actual costs.
- ▶ Parks Canada
  - › To celebrate Confederation 150 anniversary, the government offered free entry to all parks and sites managed by Parks Canada in 2017. The increased visitation had a major impact on paid products and services which are not included in the entry.
- ▶ Health Canada
  - › The 2017 to 2018 total revenue as published in the 2017 to 2018 Fees Report includes fees set by contract, which is now reported separately. This is offset with an increase in revenues related to the introduction of Cannabis Fees on October 17, 2018 and minor reductions in revenues in various other fee regimes mainly due to decreased volumes or timing of collections.



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- ▶ Canadian Nuclear Safety Commission
    - › The increase in revenues is attributable to increased regulatory oversight activity costs related to increases in salaries and wages, as well as an increase in fees for nuclear substances used for commercial and industrial activities.
  - ▶ Canada Energy Regulator (formerly known as the National Energy Board)
    - › The Canada Energy Regulator is funded through Parliamentary appropriations. The Government of Canada recovers approximately 98% of the appropriation from the regulated industry. The process is regulated by the National Energy Board Cost Recovery Regulations. Revenues reflected are based on the actual costs incurred in that year. The increase is mainly due to costs associated with the Trans Mountain Expansion Project and the Budget 2018 transition to new impact assessment and regulatory processes.
  - ▶ Fisheries and Oceans Canada
    - › The variance is representative of the natural fluctuations in volumes. There have been no changes to the fee structures to otherwise influence revenue variation.
  - ▶ Canadian Grain Commission
    - › The Canadian Grain Commission reduced most of its fees as of April 1, 2018, the start of the next 5-year cycle. This was based on a thorough review of existing fees and cost structures, past revenues generated by services, relatively stable costs of providing those services, and an updated time-series analysis model for forecasting annual grain volumes.

## Consumer Price Index

Section 17 of the SFA requires responsible authorities to adjust their applicable fees in each fiscal year, based on the previous fiscal year percentage change over 12 months in the April all-items Consumer Price Index (CPI) for Canada, as published by Statistics Canada.

The 2018 to 2019 Departmental Fees Reports do not include a CPI increase. For fees that are subject to the SFA, the CPI took effect on April 1, 2019, at the rate of 2.2%.

The CPI increases will be reflected in the 2019 to 2020 departmental fees reports and the 2019 to 2020 version of this report.

## Remissions

A remission is a partial or full return of a fee to a fee payer who paid for a service for which a department deemed that the service standard was not met.

Under the SFA and the Directive, departments must develop policies for determining whether a service standard has been met and for determining how much of a fee will be remitted to a fee



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payer. This requirement does not take effect until April 1, 2021. The 2018 to 2019 reports included remissions issued under departments' enabling legislation or the FAA. They do not include remissions issued under the authority of the SFA.

Departments will be reporting on remissions issued under the SFA for the first time in their 2021 to 2022 Departmental Fees Report, which will be published during the 2022 to 2023 fiscal year.





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## Appendix A: Links to departmental 2018 to 2019 fees reports

Listed below are the links to the Departmental Fees Reports for the 2018 to 2019 fiscal year. Each report contains information on departments' fee regime, which includes:

- ▶ financial information regarding total costs, total revenues and remissions:
  - › fees set by contract
  - › fees set by market base and auction or both
  - › fees set by act, regulation or fees notice
- ▶ detailed information for each fee:
  - › the date that the fee (or fee category) was introduced and last amended (if applicable)
  - › the existing fee dollar amount
  - › the adjusted dollar fee amount for a future year
  - › service standards, if applicable
  - › performance results against these standards
- ▶ Agriculture and Agri-Food Canada
- ▶ Canada Border Services Agency
- ▶ Canada Energy Regulator (formerly known as the National Energy Board)
- ▶ Canada Revenue Agency
- ▶ Canadian Food Inspection Agency
- ▶ Canadian Grain Commission
- ▶ Canadian Heritage
- ▶ Canadian Nuclear Safety Commission
- ▶ Canadian Radio-television and Telecommunications Commission
- ▶ Canadian Space Agency
- ▶ Crown-Indigenous Relations and Northern Affairs Canada
- ▶ Department of Justice Canada
- ▶ Employment and Social Development Canada
- ▶ Environment and Climate Change Canada
- ▶ Financial Consumer Agency of Canada
- ▶ Fisheries and Oceans Canada
- ▶ Global Affairs Canada



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- ▶ Health Canada
  - ▶ Immigration, Refugees and Citizenship Canada
  - ▶ Impact Assessment Agency of Canada (formerly known as the Canadian Environmental Assessment Agency)
  - ▶ Indigenous Services Canada
  - ▶ Innovation, Science and Economic Development Canada
  - ▶ Library and Archives Canada
  - ▶ National Defence
  - ▶ National Film Board
  - ▶ National Research Council Canada
  - ▶ Natural Resources Canada
  - ▶ Office of the Auditor General of Canada
  - ▶ Office of the Superintendent of Financial Institutions Canada
  - ▶ Parks Canada
  - ▶ Parole Board of Canada
  - ▶ Privy Council Office
  - ▶ Public Health Agency of Canada
  - ▶ Public Services and Procurement Canada
  - ▶ Royal Canadian Mounted Police
  - ▶ Statistics Canada
  - ▶ The National Battlefields Commission
  - ▶ Transport Canada

