

Office of the Commissioner of Lobbying of Canada

2009-2010

Report on Plans and Priorities

The Honourable Vic Toews, P.C., Q.C., M.P.
President of the Treasury Board

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Commissioner's Message

As Interim Commissioner of Lobbying, I am pleased to present the first Report on Plans and Priorities for the Office of the Commissioner of Lobbying.

As the Preamble to the *Lobbying Act* (the Act) states, lobbying is a legitimate activity. However, as Interim Commissioner of Lobbying, my principal responsibility is to provide assurance that lobbying activities with the federal government are conducted in a way that is both transparent and ethical. In this light, several legislative amendments have been aimed at improving transparency. One of the latest amendments, implemented this past year, makes it a requirement for lobbyists to file monthly communication returns, thereby allowing Parliamentarians and Canadians to determine who is meeting and communicating with senior federal public office holders. Much of our work over the coming year will be to maintain this progress.

Canadians have had easy access to information regarding lobbying activities through the Internet for several years. However, my objective is to make it even easier and more informative. The Registry of Lobbyists is the Office's core instrument for recording the registration information of lobbyists. This registry, although already at the forefront of electronic registration, is better able to respond to the need for more flexibility and responsiveness given that it can accept more data and provide users with better information. Recent upgrades to this system have made the Registry a world class model for others.

The Commissioner of Lobbying also has a clear and strong mandate to develop and institute educational and outreach programs designed to provide Parliamentarians, departments and agencies, lobbyists and Canadians in general with a better understanding of lobbying and transparency. My objective is to ensure that lobbyists, public office holders with whom they communicate and others interested in lobbying activities, fully understand and appreciate the rationale and requirements of the Act. I believe that by generating awareness of the Act's requirements and the nature of lobbying as an activity, compliance is better assured rather than taking a rules-based approach.

Although educating people about the Act is important, violations of the *Lobbying Act* and *Lobbyists' Code of Conduct* (the Code) will still have to be dealt with rigorously. The Commissioner now has expanded powers in order to ensure compliance with the Act and the Code. I intend to use these powers to continue to enforce the Act and the Code with due diligence.

Finally, accountability is the foundation upon which Canada's system of responsible government rests. Strong accountability assures Parliament and Canadians that its departments and agencies are using public resources efficiently and effectively and that they are promoting and safeguarding ethical practices. The Office of the Commissioner of Lobbying is committed to implementing and administering the *Lobbying Act* in accordance with Parliament's desire for increased transparency and integrity. It is in this regard that I respectfully submit our plans for the upcoming year.

Karen E. Shepherd
Interim Commissioner of Lobbying

Section I – Departmental Overview

1.1 Summary Information

Raison d'être

The mandate of the Office of the Commissioner of Lobbying is derived from the *Lobbying Act* (www.ocl-cal.gc.ca). Its purpose is to ensure transparency and accountability in the lobbying of public office holders in order to contribute to confidence in the integrity of government decision-making.

Responsibilities

The Office of the Commissioner of Lobbying is responsible for administering the *Lobbying Act* (the Act). The *Lobbying Act* provides for the establishment of a Registry of Lobbyists that helps to ensure transparency and accountability regarding communications by lobbyists with public office holders. This contributes to increasing the public's confidence in the integrity of government decision-making.

The Commissioner of Lobbying is responsible for the implementation of the *Lobbying Act*. The authority of the Commissioner, who is an independent officer of Parliament, derives from the Act.

The primary roles of the Office of the Commissioner of Lobbying are threefold. They are to establish and maintain the Registry of Lobbyists, containing the registration information submitted by lobbyists and their monthly returns regarding communications with designated public office holders; to develop and implement educational programs to foster public awareness of the requirements of the *Lobbying Act*; and to develop and seek to ensure compliance with the Act and the *Lobbyists' Code of Conduct* (the Code) with which lobbyists are required to comply.

The Office of the Commissioner of Lobbying is the successor organization to the Office of the Registrar of Lobbyists. The amendments to the *Lobbyists Registration Act* that were contained in the *Federal Accountability Act* came into force in July 2008. As a result of those amendments, the Commissioner of Lobbying has a more explicit mandate for developing and implementing educational programs; the authority to grant exemptions to designated public office holders subject to a five-year prohibition on lobbying activities; and the ability to review allegations that lobbyists have been provided with fees contingent upon the success of their lobbying activities, the payment of which is now prohibited.

The Commissioner reports annually to Parliament on the administration of the Act and the Code and is required to table reports on any investigations conducted in relation to the *Lobbyists' Code of Conduct*.

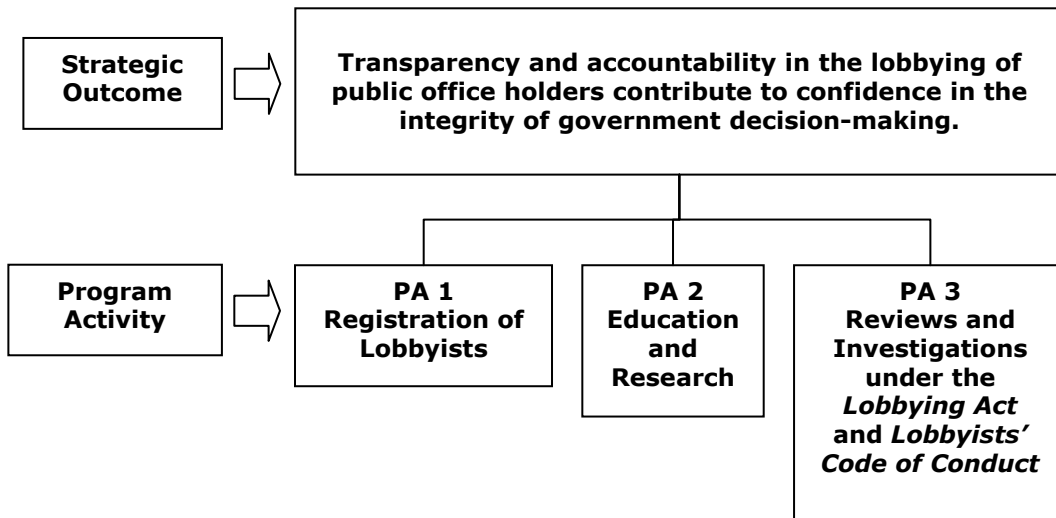
Strategic Outcome

In order to effectively pursue its mandate, the Office of the Commissioner of Lobbying (OCL) aims to achieve the following strategic outcome:

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

Program Activity Architecture

The Program Activity Architecture (PAA) for the OCL is its basis for reporting to Parliament. The PAA describes the relationship between the activities the OCL undertakes and the strategic outcome it is working to achieve, in order to produce results for Canadians. In addition, the PAA also provides the framework that links the expected results and the performance measures to individual program activities, clarifying why the OCL does what it does and how it will measure the results achieved. Finally, the PAA also serves as a framework to link the financial resources to each program activity, indicating how the OCL manages the resources under its control to achieve its intended outcomes.



1.2 Planning Summary

Financial Resources (\$ thousands)

| 2009-2010 | 2010-2011 | 2011-2012 |
|-----------|-----------|-----------|
| 4,574 | 4,601 | 4,605 |

The financial resources table above provides a summary of the total planned spending for the Office of the Commissioner of Lobbying for the next three fiscal years.

Human Resources (Full-time Equivalent – FTE)

| 2009-2010 | 2010-2011 | 2011-2012 |
|-----------|-----------|-----------|
| 28 | 28 | 28 |

The human resources table above provides a summary of the total planned human resources for the Office of the Commissioner of Lobbying for the next three fiscal years.

| Strategic Outcome: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making. | | | | | | |
|---|--|---|--|------------------|------------------|---|
| Performance Indicator | | | Target | | | |
| The level of compliance with the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i> . | | | 100% | | | |
| Program Activity¹ | Expected Results | Forecast Spending 2008-2009² (\$ thousands) | Planned Spending (\$ thousands) | | | Alignment to Government of Canada Outcomes |
| | | | 2009-2010 | 2010-2011 | 2011-2012 | |
| Registration of Lobbyists | All lobbying activity is carried out by individuals, organizations and corporations that are properly registered in the Lobbyists Registration System. | 1,947 | 1,552 | 1,559 | 1,560 | All Government of Canada Outcomes |
| Education and Research | Lobbyists, their clients, public office holders and the public are aware of the scope and requirements of the <i>Lobbying Act</i> . | 1,257 | 1,097 | 1,104 | 1,105 | All Government of Canada Outcomes |

¹ For program activity descriptions, please access the Main Estimates on-line at <http://tbs-sct.gc.ca/pre-est/estime.asp>.

² The Internal Services' forecast spending for 2008-2009 has been reallocated to the Program Activities.

Strategic Outcome: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

| Performance Indicator | | | Target | | | |
|--|---|---|--|------------------|------------------|---|
| The level of compliance with the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i> . | | | 100% | | | |
| Program Activity | Expected Results | Forecast Spending 2008-2009 (\$ thousands) | Planned Spending (\$ thousands) | | | Alignment to Government of Canada Outcomes |
| | | | 2009-2010 | 2010-2011 | 2011-2012 | |
| Reviews and Investigations under the <i>Lobbying Act</i> and <i>Lobbyists' Code of Conduct</i> | Alleged breaches of the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i> are determined to be either unfounded or true so that they may be subjected to the appropriate sanctions. | 1,681 | 1,041 | 1,052 | 1,054 | All Government of Canada Outcomes |
| Internal Services | | | 884 | 886 | 886 | |
| Total Planned Spending | | | 4,574 | 4,601 | 4,605 | |

Contribution of Priorities to Program Activities and Strategic Outcome

| Operational Priorities | Type | Links to Program Activity | Description |
|---|---------|----------------------------|--|
| Continuation of implementation and maintenance of the Lobbyists Registration System | Ongoing | PA 1 | Accommodating the increased disclosure requirements of the <i>Lobbying Act</i> required a major redesign of the Lobbyists Registration System (LRS). The LRS is the Internet-based software application that is used by lobbyists and registrants to carry out registration, updates and renewals. It is also used by lobbyists, public office holders and the public to carry out searches of the Registry. The LRS is ready to accept registrations, including new monthly returns on communications with designated public office holders. It is anticipated that users will increasingly use the LRS' new features as they become familiar with the updated system. The OCL will use a combination of enhanced help material, online multimedia tutorials, training and telephone assistance to ensure that implementation of the redesigned LRS is as smooth as possible. |
| Promote awareness of Act and Code requirements | Ongoing | PA 2 | Promoting awareness of the <i>Lobbying Act</i> to public office holders, designated public office holders, and individuals, who may be required to register because of their activities, is the key to increasing compliance. The <i>Lobbying Act</i> introduced many changes that need to be explained to various audiences. The OCL will develop a comprehensive education and awareness strategy to enhance its current outreach efforts. Maximum use will be made of partnerships and information technology in order to leverage the OCL's outreach capacity. |
| Pursue enforcement of the Act and the Code and communicate the results | Ongoing | PA 3 | The OCL will continue to enhance its capacity to monitor media and other sources for indications of illegal or unethical lobbying activity. Outcomes of administrative reviews and investigations will be publicized in adherence to the <i>Privacy Act</i> and other applicable legislation, and will be included in educational materials, where appropriate. |
| Management Priorities | Type | Links to Strategic Outcome | Description |
| Internal Management | New | SO | The OCL will continue streamlining and integrating its planning and reporting instruments, including management planning, business planning and corporate planning and reporting. |
| Human Resources Renewal | New | SO | The OCL will focus its efforts to increase the capacity of its organization to learn and adapt to change, notably to changing demographics. This includes increased efforts to ensure that the workforce reflects the diversity of the Canadian population. |

Risk Analysis

The Office of the Commissioner of Lobbying (OCL) shares the challenges of any federal registry in terms of accuracy and timeliness of disclosure and maintaining and enhancing registrant compliance. The coming into force of the *Lobbying Act* on July 2, 2008 increased the need for transparency and accountability in lobbying registration and registrant compliance. Therefore, the OCL upgraded its registry, its education and research functions, and its compliance resources to better deal with the challenges brought by the *Lobbying Act*.

The Lobbyists Registration System is the core instrument of the Office of the Commissioner of Lobbying and must be available to registrants 24 hours a day, seven days a week. Any interruption or shutdown of this system could create significant delays; possibly cause a backlog of registrations or monthly reports. The OCL has put in place as many safeguard measures as such a system permits to guarantee that the registry is up and running on a continuous basis. In addition, in the event that the registry shuts down, the OCL is prepared to make the registry down time as short as possible.

The *Lobbying Act* requires monthly reporting of certain communications with designated public office holders. This reporting requirement is done on-line without OCL vetting. As such it carries with it the possibility of input errors which may go undetected. The OCL is educating lobbyists and designated public office holders and instituting a verification system to identify and rectify faulty and erroneous monthly input reporting.

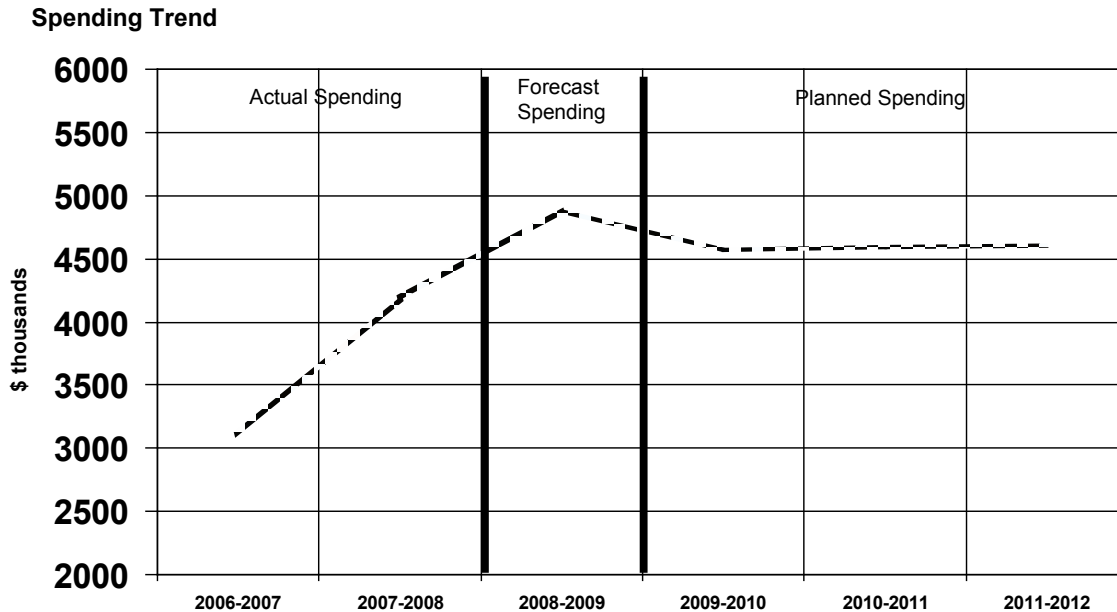
The OCL conducts administrative reviews and investigations to ensure compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*, and reviews applications for exemption from the five-year lobbying prohibition. Litigation related to these activities is inevitable and adverse outcomes, specifically, the judicial review of decisions made by the Commissioner of Lobbying, can have a profound impact on the Commissioner's ability to conduct investigations to ensure compliance with the *Lobbying Act* and *Lobbyists' Code of Conduct*. The OCL strives to minimize the factors that might lead to litigation by conducting comprehensive investigations and reviews and ensuring that files are well documented.

The Office of the Commissioner of Lobbying is a relatively small department and as such is quite dependent on other federal organizations acting as service providers for a number of its corporate services, including human resources and financial services. Service agreements that are undertaken with such providers are carefully monitored to ensure that all practices and services are consistent with OCL requirements and standards, and that alternative service providers can be found when required.

Expenditure Profile

For the 2009-2010 fiscal year, the Office of the Commissioner of Lobbying plans to spend \$4.6 million to deliver its mandate and contribute to its strategic outcome.

The figure below illustrates the spending trend for the Office of the Commissioner of Lobbying from 2006-2007 to 2011-2012.



For the 2006-2007 to 2008-2009 periods, the total spending includes all Parliamentary appropriation and revenue sources: Main Estimates, Supplementary Estimates, and funding received from Treasury Board Central Votes. It also includes carryforward adjustments. For the 2009-2010 to 2011-2012 periods, the total spending corresponds to the planned spending and revenues. Supplementary funding and carryforward adjustments are unknown at this point and are therefore not reflected.

In 2007-2008, OCL received additional funding on an ongoing basis to implement the lobbying provisions of the *Federal Accountability Act*, including significant modifications to the Lobbyists Registration System.

Voted and Statutory Items

(Thousands of dollars)

| Vote # or Statutory Item (S) | Truncated Vote or Statutory Wording | 2008-2009 Main Estimates | 2009-2010 Main Estimates |
|------------------------------|--|--------------------------|--------------------------|
| 45 | Program expenditures | 4,097 | 4,120 |
| (S) | Contribution to employee benefit plans | 416 | 408 |
| | Total Agency | 4,513 | 4,528 |

Section II – Analysis of Program Activities by Strategic Outcome

2.1 Strategic Outcome

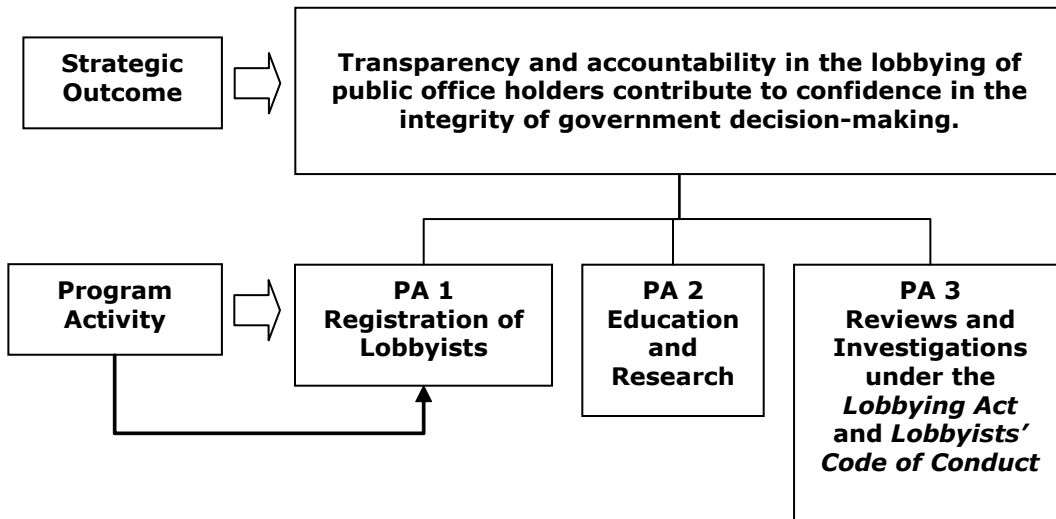
Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

The following section describes the program activities of the Office of the Commissioner of Lobbying and identifies the expected result, performance indicators and targets for each of them. This section also explains how the Office of the Commissioner of Lobbying plans on meeting the expected results and presents the financial and non-financial resources that will be dedicated to each program activity.

This section will contain a discussion of plans surrounding the following Program Activities:

- Registration of Lobbyists
- Education and Research
- Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*
- Internal Services

2.1.1 Program Activity: Registration of Lobbyists



| Financial Resources (\$ thousands) | | | Human Resources (Full-time Equivalents) | | |
|---------------------------------------|-----------|-----------|--|-----------|-----------|
| 2009-2010 | 2010-2011 | 2011-2012 | 2009-2010 | 2010-2011 | 2011-2012 |
| 1,552 | 1,559 | 1,560 | 10 | 10 | 10 |

| Expected Result | Performance Indicator | Target |
|--|--|---|
| All lobbying activity is carried out by individuals, organizations and corporations that are properly registered in the Lobbyists Registration System. | Number of active registrations processed in the Lobbyists Registration System. | Increase the number of active registrations processed from 7,500 to 7,875 (5%) by March 2010. |

Program Activity Summary: Lobbying the federal government is a legitimate activity but it must be done transparently. The *Lobbying Act* requires that individuals who are paid to lobby public office holders disclose certain details of their lobbying activities. The Office of the Commissioner of Lobbying (OCL) analyzes and approves lobbyists' registrations and makes them available for reference in an electronic registry that is accessible on the Internet.

The recent amendments to lobbying legislation brought considerable changes to the registration requirements. In response to these changes, the OCL deployed an online registration system that accommodates the new lobbyist registration requirements. This system allows lobbyists to register their lobbying activities and perform transactions such as amendments, renewals and terminations. It also allows public office holders (POHs) and members of the public to search the registry to increase transparency. In the coming years, the OCL plans to focus on system maintenance

and on adapting and enhancing it to be more efficient and meet other organizational objectives.

Performance of the program activity is measured with indicators such as the number of visits to the OCL website, number of active registrations and number of submitted registrations.

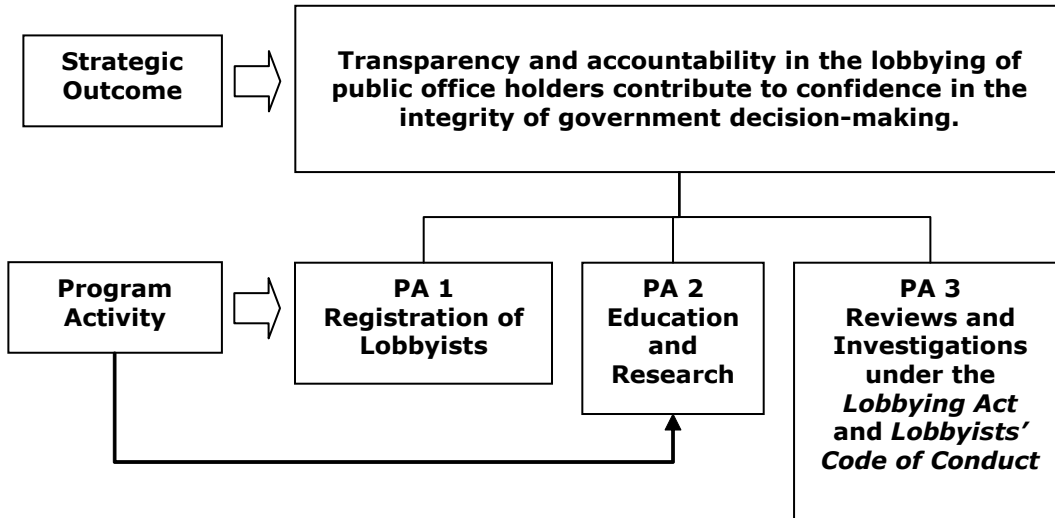
The OCL devotes considerable effort to ensuring the integrity of the information held in the Registry. As well, the OCL constantly aims at ensuring that the Registry is up to date and that information can be easily accessed.

Planning Highlights: In order to achieve the expected result, the OCL plans to undertake the following activities:

- Add support for representatives; lobbyists often hire representatives to perform the administrative parts of their work. Often, one representative will support multiple lobbyists; hence, the OCL plans on providing functions that help representatives better manage multiple lobbyists and lobbying activities.
- Improve the search functionality by simplifying and enhancing the user's experience.
- Improve the monthly reporting functions by improving the user interface and business flow.
- Add support for investigation activities.
- Streamline and align business processes and system functions for the registry to increase OCL productivity while reducing operational costs.

Benefits for Canadians: This program activity directly contributes to the increased transparency of lobbying activities at the federal level which, in turn, will increase the confidence of Canadians in their federal institutions.

2.1.2 Program Activity: Education and Research



| Financial Resources (\$ thousands) | | | Human Resources (Full-time Equivalents) | | |
|---------------------------------------|-----------|-----------|--|-----------|-----------|
| 2009-2010 | 2010-2011 | 2011-2012 | 2009-2010 | 2010-2011 | 2011-2012 |
| 1,097 | 1,104 | 1,105 | 5 | 5 | 5 |

| Expected Result | Performance Indicators | Targets |
|---|---|--|
| Lobbyists, their clients, public office holders and the public are aware of the scope and requirements of the <i>Lobbying Act</i> . | Number of outreach activities conducted by the OCL. Survey conducted in the third quarter of every year. | Increase the number of outreach activities from 33 to 50 by March 2010. 80% say that their awareness has increased. |

Program Activity Summary: The *Lobbying Act* provides the Commissioner of Lobbying with a formal mandate to establish and implement educational and outreach programs to ensure that lobbying activities at the federal level are conducted in an ethical and transparent manner. The Education and Research Program Activity includes the development and implementation of an educational and outreach strategy to ensure that lobbyists, their clients, public office holders, and the public fully understand the new registration requirements brought forward by the *Lobbying Act* in a way that increases compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

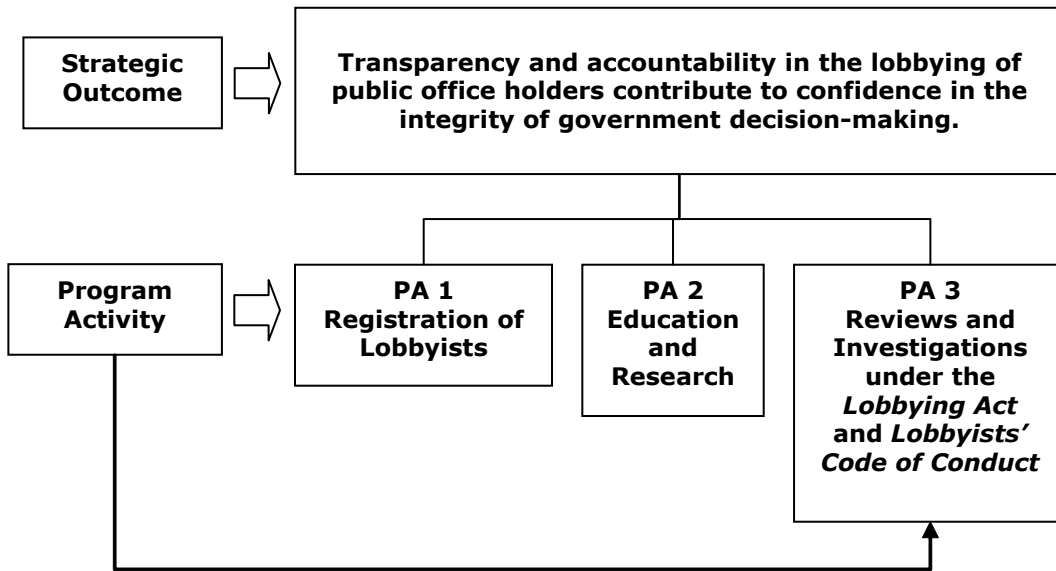
Planning Highlights: In order to achieve the expected result, the OCL plans to undertake the following activities:

- Develop and implement a comprehensive education and awareness strategy that will set the framework for the OCL's outreach efforts through awareness building activities; partnerships; new information technology tools; direct

communications with lobbyists, media, public office holders and the public; advisory letters to lobbyists who may have conducted lobbying activities for which they should have registered but did not; information sessions; media relations; conferences; learning events; briefings for government institutions; and continued dialogue with other jurisdictions and stakeholders.

Benefits for Canadians: This program activity contributes to increased awareness of the requirements of the Act and the Code in order to increase accountability and transparency in the lobbying of public office holders which, in turn, will increase the confidence of Canadians in their federal institutions.

2.1.3 Program Activity: Reviews and Investigations



| Financial Resources (\$ thousands) | | | Human Resources (Full-time Equivalents) | | |
|---------------------------------------|-----------|-----------|--|-----------|-----------|
| 2009-2010 | 2010-2011 | 2011-2012 | 2009-2010 | 2010-2011 | 2011-2012 |
| 1,041 | 1,052 | 1,054 | 8 | 8 | 8 |

| Expected Result | Performance Indicator | Target |
|---|---|---|
| Alleged breaches of the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i> are determined to be either unfounded or true so that they may be subjected to the appropriate sanctions. | Number of alleged breaches of the <i>Lobbying Act</i> and the <i>Lobbyists' Code of Conduct</i> which results in decisions. | Increase the percentage of enforcement actions on alleged breaches from 80% to 90% by March 2010. |

Program Activity Summary: This program activity includes the monitoring of lobbying activity through the media, confirmation of information contained in monthly communication returns, review of applications for exemption from the five-year prohibition on lobbying, and investigation of allegations of non-compliance with the Act or Code. Recommendation reports are prepared and submitted to the Commissioner to facilitate decision-making, and ensure that appropriate compliance measures are taken.

Planning Highlights: In order to achieve the expected result, the Investigations Directorate plans to undertake the following activities:

- Monitor media and other publicly available sources of information for evidence of lobbying, verify that registrable activity is properly reported, advise groups and individuals about the requirement to register certain activity, and make

- recommendations to the Director of Investigations regarding the appropriate means of ensuring conformity with the Act and Code.
- Confirm the accuracy and completeness of monthly communication returns submitted by lobbyists and take steps to ensure the integrity of information contained in the registry.
 - Review applications for exemption from the five-year prohibition on lobbying and provide timely and informative recommendation reports.
 - Investigate alleged contraventions of the Act and Code, recommend appropriate compliance measures, assist with the preparation of Reports to Parliament, and communicate results.

Benefits for Canadians: This program activity contributes to public confidence in decisions made by federal institutions by ensuring that lobbying activity is conducted in accordance with the requirements of the Act, and that lobbyists adhere to the principles and rules set out in the Code of Conduct. Increased conformity with the lobbying registration regime ensures accountability and transparency in the lobbying of public office holders.

2.1.4 Program Activity: Internal Services

| Financial Resources (\$ thousands) | | | Human Resources (Full-time Equivalents) | | |
|---------------------------------------|-----------|-----------|--|-----------|-----------|
| 2009-2010 | 2010-2011 | 2011-2012 | 2009-2010 | 2010-2011 | 2011-2012 |
| 884 | 886 | 886 | 5 | 5 | 5 |

Program Activity Summary:

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Section III – Supplementary Information

3.1 List of Tables

The following tables are located on the Treasury Board Secretariat website, <http://www.tbs-sct.gc.ca/estsd-bddc/index-eng.asp>

- Green procurement
- Summary of Capital Spending by Program Activity