



TEMPORARY RESIDENT FUNDING MODEL 2021-22 AND ONGOING

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SECTION 1 – CONTEXT

1.1 THE PROGRAM

Immigration, Refugees and Citizenship Canada (IRCC) facilitates the entry of migrants who wish to come to Canada temporarily, by establishing and applying the legislation, regulations and policies governing foreign nationals' entry, as well as renewed stay in Canada, by reviewing each application for specific program eligibility as well as admissibility requirements pursuant to the *Immigration and Refugee Protection Act (IRPA)* and its *Regulations (IRPR)*, while protecting the health, safety and security of Canadians. The Department works with partners to verify that individuals meet admissibility requirements. IRCC processes visas, Electronic Travel Authorization (eTA), work permits and study permits for tourists, business travelers, international students and temporary workers, whose spending and presence in Canada benefit the economy¹.

A temporary resident (TR) is a foreign national who is legally authorized to enter Canada for temporary purposes. A foreign national has TR status when they have been found to meet the requirements of the legislation to enter and/or remain in Canada as a visitor, student, worker or TR permit holder. Only foreign nationals physically in Canada hold temporary resident status.

With increasing numbers of visitors, business travelers, international students and temporary foreign workers choosing to come to Canada, IRCC continue to make the necessary investments, such as the expansion of biometrics, to facilitate travel of eligible and legitimate temporary residents while ensuring the safety and security of Canadians. In addition, the Department and partners are looking at ways of facilitating visitor entry while striking a right balance of due diligence and border control. These efforts are also in line with mandate letter commitments to improve client service delivery and application processing times.

1.2 THE PARTNERS

Application processing, either in-Canada (which includes centralized points of service and domestic offices) or overseas, involves the issuance of temporary resident visas, work permits, study permits to qualified applicants, as well as the refusal of ineligible and inadmissible applicants. While all applications are assessed against the same set of requirements, some are more complex and therefore, more resource-intensive as they require an in-depth evaluation of the available information.

Applications that require further security screening are referred by IRCC to the Canada Border Services Agency (CBSA), which conducts screening in coordination with the Canadian

¹ IRCC mandate comes from the *Department of Citizenship and Immigration Act*. The Minister for Immigration, Refugees, and Citizenship Canada is responsible for the *Citizenship Act* of 1977 and shares responsibility with the Minister of Public Safety for the *Immigration and Refugee Protection Act (IRPA)*.

Security Intelligence Service (CSIS) and the Royal Canadian Mounted Police (RCMP) and returns the completed screenings to IRCC for decision making.

Global Affairs Canada (GAC) plays a significant role in the application process overseas by providing the international platform, a global network of 178 missions in 110 countries that supports the international work of the department and 31 partner organizations (it is within GAC mandate to manage Canada's international platform).

IRCC has also other partners that provides various internal services.

1.3 GOVERNANCE

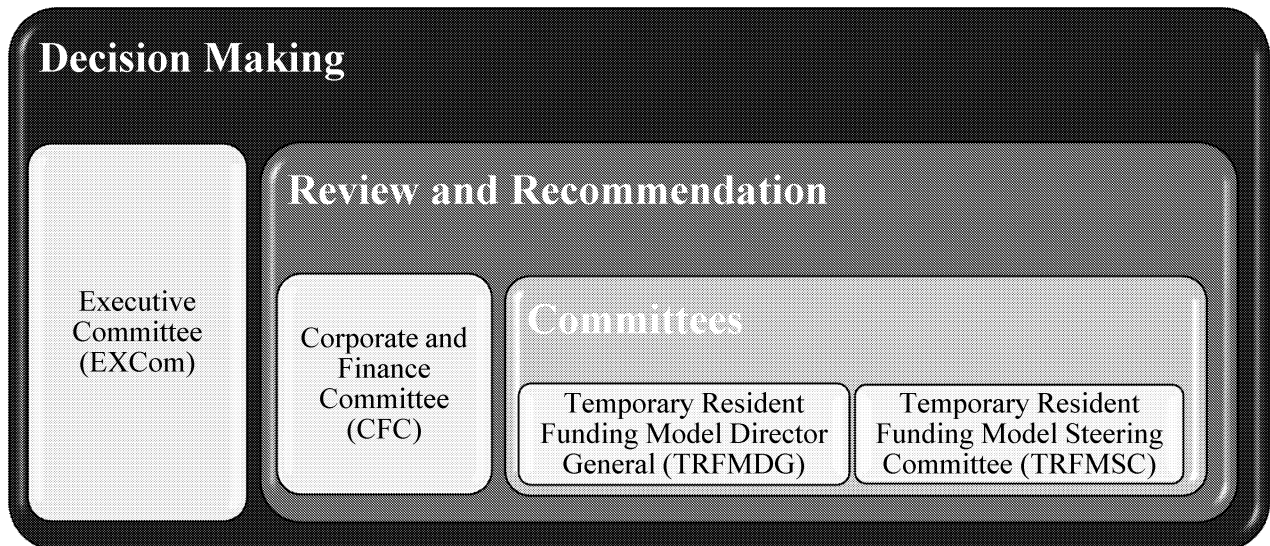
1.3.1 Financial responsibilities

IRCC's TR Programs are funded by annual voted appropriations (Vote 1 - Operating Expenditures) with the exception of the International Experience Canada (IEC) Program, which is funded via a Net Voting Authority (NVA).

1.3.2 IRCC Executive Governance

A steering committee, led by IRCC Finance Sector, includes IRCC departmental members, external partners and Central agencies members. This committee has been created to assess options and recommend the most efficient and effective funding model for IRCC and its partners. The committee is responsible for identifying key milestones and defining a path to the most effective and sustainable funding model. The current business plan is the result of the steering committee consultations and analysis.

The following figure presents the Executive Governance at IRCC for the TR Funding Model review.



s.69(1)(g) re (a)

1.4 BUDGET 2019

To facilitate the treatment of increased volumes in the temporary resident programs and to ensure immigration and border officials are well-equipped to facilitate the efficient entry of visitors, while protecting the health and security of Canadians,

The record of decision for the Budget 2019 conveyed that this bridge funding would be provided to fund the TR volume gap, enabling IRCC and partners to process the previously unfunded increase in TR volumes, while IRCC explored a Vote Netted Revenue (VNR) funding model and prepared a proposal for the considerations and approval of Central Agencies.

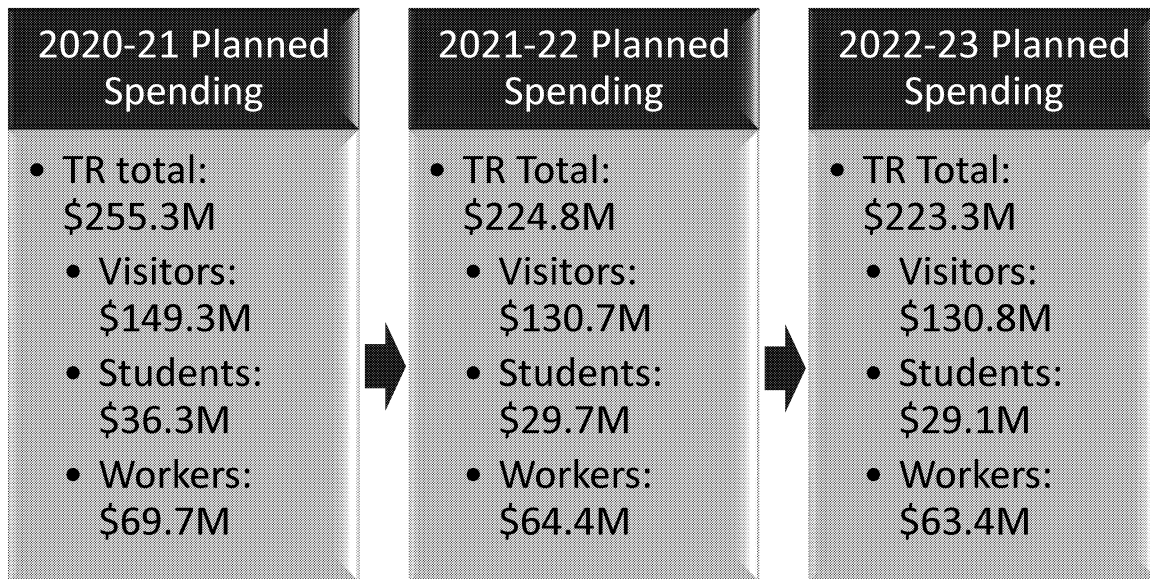
SECTION 2 – CURRENT SITUATION

2.1 CURRENT FUNDING STRUCTURE

IRCC’s TR Programs are mostly funded through annual voted appropriations (Vote 1 - Operating Expenditures). The TR programs permanent funding is the result of the 2013 revised funding baseline of 2.7M applications annually: 2.0M for Temporary Resident Visa (TRV), 0.4M for work permit (WP) and 0.3M for study permit (SP).

In order to facilitate the increase in the TR application volume, the Government of Canada provided temporary funding for TR processing in Budget 2019. To ensure immigration and border officials are well-equipped to facilitate the efficient entry of visitors, while protecting the health and security of Canadians

The following table summarized IRCC Vote 1 (Operating Expenditures) planned spending for the TR Programs for the next few fiscal years, as presented in the 2020-21 Departmental Plan:



2.2 CURRENT FEE STRUCTURE

In the execution of its mandate, IRCC collects fees from its clients to generate revenues on behalf of the Government of Canada (GoC). Fees are established to partially offset the whole of government costs (IRCC and its partner departments) of delivering the programs. Revenues generated from fees are deposited into the Consolidated Revenue Fund (CRF) and most are not available for respending² on the Immigration and Citizenship programs.

² Except IEC (average of \$10M in Vote Netted Revenue (VNR) annually).

Annex 1 presents the payment of Temporary Resident fees from a client perspective and aims to depict the interrelationship between the fees typically paid in various streams. This presents a simple, straight-forward chart and does not take into considerations the various exemptions and exceptions to fee payment based on eligibility criteria and regulations.

The TR fees in scope for this business case are classified by stream as follows:

		\$	Service Fee	Regulatory Charge	Right and Privilege	Participation Fee
VISITORS	Temporary Residence Visa (TRV)	\$100	×			
	Temporary Residence Permit (TRP)	\$200	×			
	Electronic Travel Authorization (eTA)	\$7	×			
TR STATUS	Extension of TR Status	\$100	×			
	Restoration of TR Status	\$200	×			
STUDENTS	Study Permit (SP)	\$150	×			
WORKERS	Work Permit (WP)	\$155	×			
	Open Work Permit	\$100			×	
	Employer Compliance Inspection (ECI)	\$230		×		
	International Experience Canada (IEC)	\$150				×
BIOMETRICS	Biometrics	\$85	×			

Notes:

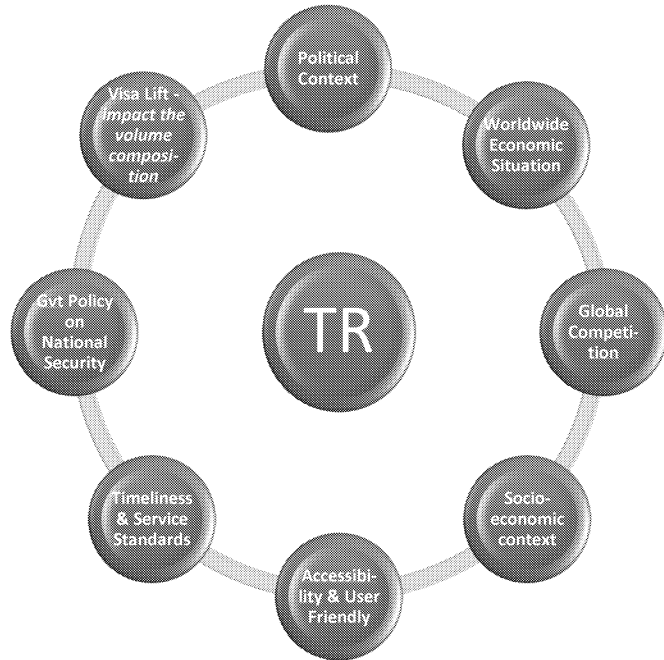
- *Regulatory charges and right and privilege fees are tracked as part of the International Mobility Program (IMP) Scheme.*
- *IEC participation fee operates on a VNR funding authority and the fee itself is considered a participation fee (similar to a right and privilege fee and refunded based on non-eligibility). However, the fee covers the processing of an open work permit for eligible candidates and its cost recovery is representative of the total GoC cost of activities performed.*

Most of IRCC’s TR fees are exempted³ from the requirements of the *Service Fees Act (SFA)*, as per exemptions sought under the *User Fees Act (UFA)*, the *SFA*’s predecessor. Hence, they are not subject to the automatic inflationary increase via the Consumer Price Index, the establishment of service standards and the requirement to remit a portion of the fee to the fee payer when service standards are not met. This provides additional flexibility to IRCC in managing and reviewing fee levels as the Department follows the consultative process stipulated in its own enabling acts when reviewing its fees. It is important to note that the new *Act (SFA)* brings a fee modernization perspective to managing GoC fees and encourages departments to review fee levels more often to foster optimal fee efficiency and cost recovery, and ensure that fee levels keep up with inflationary cost increases.

³ IEC, TRP and restoration of TR status are not exempted from the requirements of the *SFA*. TRP and restoration are pending legislative changes.

2.3 EXTERNAL FACTORS THAT INFLUENCE THE TR DEMAND

Factors outside the Department's control may impact the TR volume of applications (Annex 2). TR demand is difficult to predict due to the inter-dependency with several external factors such as government's policy on national security, social-economic and/or political context, global competition, etc.



2.4 TR VOLUME

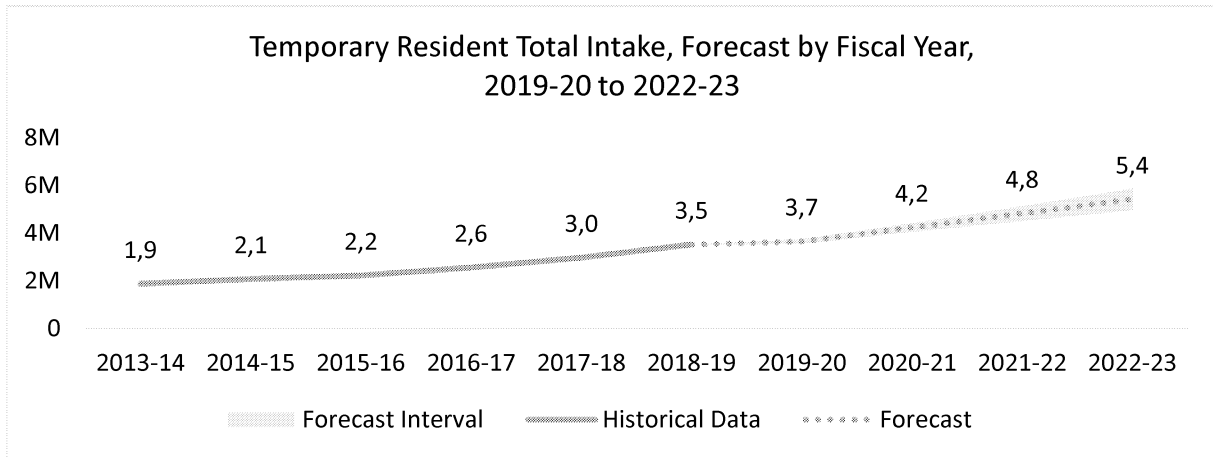
IRCC operations are comprised of process-driven activities and as such, are sensitive to demand fluctuations. Some business lines have legislative tools to control demand or the intake such as the Immigration Level Plans for the Permanent Residents Programs, while other business lines are more sensitive to the fluctuation in demand. The TR programs are included in the latter category and therefore, the Department does not have a mechanism to control intake.

IRCC has seen a continual growth in temporary resident volumes since 2011. In 2013, IRCC sought and received funding for a baseline of 2.7M applications annually for TRV, WP and SP. Temporary funding for 2019-20 and 2020-21 was also voted for IRCC and partners to help alleviate the volume growth.

As illustrated in the table below, volumes have increased to 3.5M applications⁴ in 2018, with an original further 14% increase expected in 2019-20 to reach an estimated total volume of 4.1M applications in 2019-20. Current projections indicate volumes at roughly 3.7M⁵ in 2019-20 and at 5.4M by 2022-23.

⁴ 0.5M of SP, 2.6M of TRV and 0.4M of WP.

⁵ 0.6M of SP, 2.6M of TRV and 0.5M of WP.



A higher demand for IRCC’s services will require an innovative approach and additional investments to continue to increase processing capacity and to improve client service experience. Investments in new technologies, including the use of biometrics, will lead to the creation of simplified and more efficient systems and protect Canadians while facilitating legitimate travel.

2.5 LOOKING FORWARD -TR TRANSFORMATION

Canada is a global leader in migration management. As Canada looks to successfully attract more and more visitors, the existing model we use to manage their migration will face increased strain unless we make adjustments towards a more sustainable solution.

IRCC screens all non-U.S. visitors in one form or another before they can travel to Canada, confirming their identity, ensuring they are coming for their stated reason, screening for health risks and working with security partners to assess admissibility risks.

Under the current model Canada broadly uses a visitor’s nationality as a proxy for risk. Based on an assessment of country conditions and trends, visitors from some countries require a “Temporary Resident Visa” – referred to in the remainder of this paper as a visa – which entails a comprehensive application and screening process and results in a physical document being added to the visitor’s passport as proof they can travel to Canada. Visitors from all other countries (excluding the U.S.) arriving in Canada by air need an eTA which is as a lower-cost, light-touch screening tool that provides a digital authorization to board a flight to Canada.

The visa policy framework is a robust tool, but it has limitations given the shifting global landscape. For example, a seasoned business traveler who is part of the growing middle class in the developing world would be subject to the scrutiny of an immigration officer based on their country of origin before they can even travel to Canada, while a tenuously employed traveler from a more advanced economy has access to the light-touch eTA option and might only be subject to more intense scrutiny when they arrive at the border.

Because the current model relies on nationality, it can also broadly impact our bilateral relations with other countries. The decision to impose or lift a visa requirement can be subject

to intense diplomatic discussions – with the consequences spilling over into other areas of the relationship such as trade or collaboration in international fora.

Budget 2019 acknowledged that the Government needs to provide immigration services that are “accessible, timely and responsive to the needs of existing and potential newcomers to Canada.” IRCC has found that clients increasingly desire a more predictable experience that is easy to navigate when applying for a visa. The Department’s ability to deliver on this is being challenged: the percentage of visitors who reported they were satisfied with IRCC’s service in 2017 dropped six percent from two years prior (from 87% to 81%).

Ubiquitous mobile technology is also changing the level of service that people expect both from the private sector and governments. As such, in its vision for digital government, the Government of Canada commits to delivering services to people in “simple, modern and effective ways that are optimized for digital and available anytime, anywhere and from any device.”

Capturing the benefits of global travel requires Canada to stay competitive among comparable countries, many of whom are making significant efforts to modernize their visitor programs. While we have been maintaining our current model and making small investments in modernization, other countries have been more broadly innovating, and in particular advancing digital services. For example, Australia and New Zealand already offer digital visas, eliminating the need to submit passports for counterfoils and allowing for processing efficiencies.

Canada needs to take bold action in the coming years to seize the opportunity of increased international travel, while ensuring that we continue to manage risk and protect the health, safety and security of Canadians.

IRCC’s vision for modernizing how we screen visitors is based on a shift from the current, nationality-based visa policy toward an individualized assessments of risk. The objective of the shift is threefold:

- Improve client service with a more predictable experience for most travelers;
- Ensure sustainability with the right processes and resources to allow an increasing number of visitors to be screened, and;
- Enable sound risk management by gathering the right data and using the right tools to thoroughly assess each traveler and make solid screening decisions.

By beginning the shift toward a new model for how visitors come to Canada, the government would signal it understands the importance of these broader economic and security themes – and of the changing global economy and travel patterns. Investing in comprehensive changes to the funding, procedures and platforms used to deliver Canada’s visitors programs will ensure the enduring their enduring success.

SECTION 3 – FUNDING OPTIONS

IRCC's TR Programs are mostly⁶ funded through annual voted appropriations (Vote 1 - Operating Expenditures).

In the absence of a full business cycle to justify the volume increase and to seek additional funding, the Departments are currently underfunded to carry operation in support of the volume growth.

3.1 REVOLVING FUNDS

3.1.1 Description

Revolving funds (RF) are generally appropriate for large, distinct, self-sustaining activities that provide client-oriented services. Materiality is an important criterion when considering the establishment of a new revolving fund because of the significant costs associated with setting up and managing it. RF provide a multi-year focus for revenues and expenditures. While surpluses or deficits may occur from year-to-year, these are expected to balance out over a business cycle. The Passport program at IRCC is a Revolving Fund with a ten years business cycle.

RF are funded through non-lapsing appropriations, providing the flexibility needed to deal with changes in level and timing of receipts, expenditures, and net income and to manage substantial investments in inventory and capital. In light of the importance of non-cash transactions in these investments, a full accrual basis of accounting is used to prepare financial statements. Consequently, this method of funding is truly a user pay approach that recovers the totality of program costs, including those of delivery partners. Fees are increased as costs rise or more services are added. RF allow for more flexibility to access surpluses, respond to demand and to absorb financial risk internally.

3.1.2 Key Attributes

- Legislative authority to spend revenues is required and remains in effect until it is amended or cancelled. The Minister has the mandate to execute the program and is accountable for all the expenses related to the program delivery.
- The organization needs to recover the full cost (cost recovery rate of 100%) over the business cycle. All costs of operation, including overhead and all non-cash items such as depreciation for capital items can be fully recovered from external and internal clients.

⁶ Except IEC (average of \$10M in VNR annually).

s.21(1)(a)

s.21(1)(b)

- Right and privilege fees are excluded as there is no direct nexus between costs and revenues from these fees.
- Non-lapsing authority and therefore, allows carry forward of revenues.
- Revenues collected can only be spent on the related program.
- Large, devolved branch of a host department providing client-oriented services often of a commercial and optional nature.
- Objective is to fund fluctuating demands levels from user groups for goods and services where demand is highly variable.
- Operation is expected to be self-sufficient and break-even over time, (all expenditures e.g. operating, capital and investment). Since demand for services is extremely variable, expenditures do not necessarily fall in the same fiscal year as revenues.
- Charging external users appropriate rates, usually full cost for goods and services.
- Interest charge applied to the use of government funds. The authority essentially represents a line of credit against the CRF. When expenditures exceed revenues collected, a monthly interest charge is levied on the fund.
- RF generally retain all revenues but might have to turn over excessive profits to CRF.

3.1.3 Policy and Legislative Impacts

Parliamentary approval is required to create a RF. A legislative amendment to the *Revolving Funds Act* and the *IRPA* would be required to create the new fund. Reporting requirements for RF includes annual business plan, full set of financial statements, etc.

3.1.4 Pros

3.1.5 Cons

3.2 VOTE NETTED REVENUE

3.2.1 Description

VNR is provided to fund fluctuating special demands from user groups which, while consistent with program objectives, would otherwise jeopardize the relatively stable "core" budget of the department. VNR is not meant to enable unfettered growth. Any variances from the recoverable expenditures forecast in the Estimates must be reviewed by Treasury Board Secretariat. Net voted operations may or may not be self-sustaining and usually the scale of operations is less significant than in the case of revolving funds. Under this mechanism, there is normally a well-established core level of activity funded through appropriations.

VNR is an alternative means of funding selected programs or activities where Parliament authorizes a department to apply revenues towards costs directly incurred for specific activities and votes on the net financial requirements for a fiscal year at a time (i.e. estimated total expenditures minus estimated revenues). While not a required feature of net voting, typically users finance only part of the cost of a program while other sources of government revenue finance the remainder via Appropriations. The International Experience Canada program at IRCC is under a VNR.

3.2.2 Key Attributes

- Authority to spend revenues is required and it is renewed each fiscal year (*Appropriation Act*).
- Goal is to operate within its net voted authority (including the 125% rule⁷).
- Revenues collected in a given year are to offset the current year expenditures, to render the service. Revenue collected that are in excess of the expenditures are to be return to the CRF as there is no carry forward allowed. Any lack of revenues is to be absorbed within the existing Appropriation.
- Revenues collected can only be spent on the related program operating expenditures therefore, excluding capital expenditures.
- Scale of operation is less important than is the case for RF. Operations must be distinct.
- Objective is to fund small to moderate fluctuating demands from user groups for goods and services. Normally a well-established core of activity funded through appropriations (fixed level of activities).
- No requirement to recover the full cost of the program. Internal and external clients are charged full cost or an appropriate fee. An internal client is charged the incremental costs only for a one-time comprehensive project.
- Generally, right and privilege fee are excluded as there is no direct nexus between costs and revenues.

⁷ A unique feature of net voting is the application of the 125-per-cent rule. This rule provides added flexibility by allowing departments and agencies to generally credit up to 125-per-cent of the revenues forecasted and displayed in the Main Estimates.

s.21(1)(a)

s.21(1)(b)

- No interest charge applied to the use of government funds.

3.2.3 Policy and Legislative Impacts

The authority for a net voting operation must be approved each year through the vote wording in an *Appropriation Act*. The approved amount (before the 125% rule) is a fixed amount and does not vary from one year to another, unless a NVR increase is requested and approved via a Treasury Board Submission. By establishing a NVR.

Reporting requirement for net voting includes allotment reports, and the grand total in the Public Accounts.

3.2.4 Pros

3.2.5 Cons

s.21(1)(a)

s.21(1)(b)

3.3 STATUTORY - SPENDING OF REVENUES

3.3.1. Description

Statutory authorities describe appropriations or expenditures which are authorized by Parliament through legislation other than an *Appropriation Act*. Examples of statutory authorities include the Contributions to employee benefits plans, the Minister Salary and motor car allowance and Spending of Revenues.

Statutory – Spending of Revenues (SSR) is the authorization to spend the revenues collected from fees, right and privilege and/or regulatory charges. By this mechanism, the organization can utilize the revenues collected to offset operational and capital expenditures, and can carry over the unspent revenues collected.

As of today, 12 SSR are in force ([Annex 4](#)). Each organization statutory wording is tailored to meet the organization needs. [Annex 5](#) presents the lists of provision in the various departmental *Acts* for the SSR.

3.3.2 Key Attributes

- Activities can be fully or partially funded by the revenues.
- Statutory wording to be included in the *Act* can be tailored to meet the Department's needs.
- Revenues collected can be carried forward.
- Revenues can be used for operating or capital expenditures.
- Provide flexibility to meet volume level fluctuation. Although, if volume are lower than forecasted, the lapse between revenues collected and costs will have to be covered by appropriations.
- No requirement to recover the full cost of the program.
- No interest charge applied to the use of government funds.
- Authority to spend revenues is required and remains in effect until it is amended or cancelled.

3.3.3 Policy and Legislative Impacts

Parliamentary approval is required to create a SSR. A legislative amendment to *IRPA* would be required to create the new fund. The provision in the legislation will set the limitation of the SSR ([Annex 5](#)).

Reporting requirements in the Public Accounts as well as Main Estimates are for information purposes only. Following the provision in the legislation, additional reporting may be required.

3.3.4 Pros

s.21(1)(a)

s.21(1)(b)

3.3.5 Cons

3.4 APPROPRIATION

3.4.1 Description

Appropriations are the most common funding mechanism used to support program delivery. Appropriations may be used when the service is being delivered by the government itself, through financial arrangements with third parties or outlined in partnership agreements. All departments and agencies receive either complete or partial funding through appropriations. Appropriations are used for activities that have large fixed costs or fixed and variable costs with predictable demand.

3.4.2 Key Attributes

- Appropriation authority is required and it is renewed each fiscal year (*Appropriation Act*).
- Activities can be fully or partially funded by the Appropriation.
- Appropriation includes funding for operations and capital expenditures, within their own specific votes.
- Appropriation funding can be carried forward within the Operating Budget Carry Forward (OBCF) or Capital Budget Carry Forward (CBCF) framework.
- Each Department would receive Appropriation funding, based on their approved funding level.
- No interdependence with the TR fees or the type of fees.

s.21(1)(a)

s.21(1)(b)

s.69(1)(g) re (a)

3.4.3 Policy and Legislative Impacts

The appropriation authority must be approved each year through the vote wording in an *Appropriation Act*. The approved amount is a fixed amount within a fiscal year but vary from year to year.

Reporting requirement for appropriation includes the Departmental Plan, the Departmental Report on Results, a full set of Financial Statements and presentation in the Public Accounts.

3.4.4 Pros

3.4.5 Cons

3.5 ISSUES/CHALLENGES THAT APPLIED TO ALL FUNDING MODEL OPTIONS

In addition to the complexity of forecasting the TR intake and the impact of factors outside the Department's control, IRCC and its partners are facing other significant challenges when managing the TR programs. These challenge affect the which funding mechanism would be best to support IRCC and its partners when delivering TR activities.

3.5.1 Cost Recovery Rate

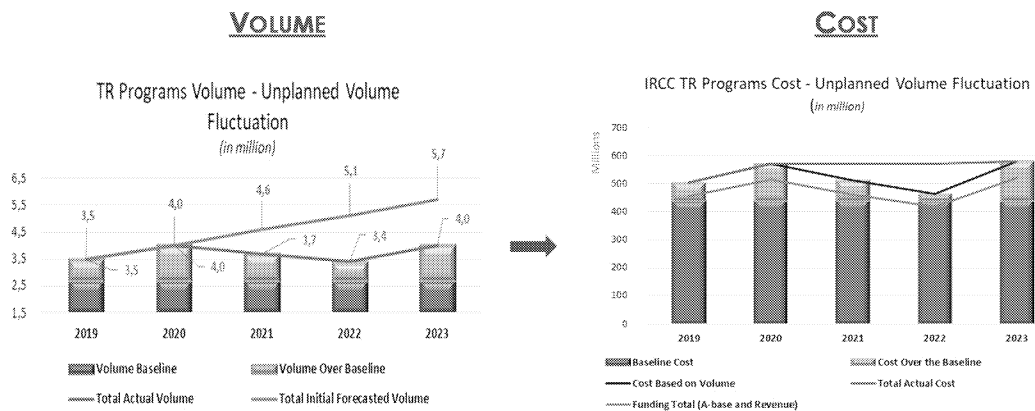
Service fees in the TR programs recover an average of 92% of whole of Government costs (IRCC and partners) to mitigate the risks of overcharging and to ensure compliance with the *FAA, section 19 (2)* and considering the current class-action lawsuits on the Multiple Entry Temporary Residents Visa. In the current IRCC fee model for TR, service fees are set to offset the annual costs of delivering the specific service. A small surplus may be tolerated but not consistent overcharging. Through internal cost recovery monitoring parameters, IRCC considers consistent overcharging to be two consecutive years where the cost recovery rate (CRR) is above 100%.

In TR, as fee levels are not established based on a set business cycle but rather on estimated future cost and volume projections, IRCC has set a target CRR of 80-90% (rather than full cost recovery) to provide a safe buffer to mitigate fluctuations and to minimize the risk of overcharging.

3.5.2 TR Volume Reduction

Since 2011, TR demand has been growing annually and current volume forecast are predicting a continuing annual growth to reach 5.7M transactions in 2023-24.

That being said, an unforecasted TR volume reduction may occur in an upcoming year and may put Departments at risk. In a revenue generated funding model, illustrated in the graphs below, volume significantly lower than anticipated would directly impact revenues and therefore, available budgets but not necessarily coincidentally decrease costs for IRCC. Reviewing volume projections constantly, adjusting revenues and budget allocations become critical. A significant unplanned decrease in volume would constitute a significant risk to IRCC's in year financial situation as it would directly reduce available budget and may not provide time to ramp down resources especially in the context of overseas operations. A sustained decrease in volume would require a reduction in workforce and adjustment to operating models with potential multi-year work force adjustment costs and accommodation implications, which may not be aligned with in year revenues.



s.21(1)(a)

s.21(1)(b)

3.5.3 TR Volume Composition Change

3.5.4 Departmental Mandate

IRCC mandate comes from the *Department of Citizenship and Immigration Act*. The Minister for Immigration, Refugees, and Citizenship Canada is responsible for the *Citizenship Act* of 1977 and shares responsibility with the Minister of Public Safety for the *IRPA*⁸. IRCC is responsible for the TR programs where as CBSA is responsible for the port of entry and enforcement activities. This entails that each department, within the same legislation, must deliver on their mandate and report on their respective activities.

⁸ **Minister of Citizenship and Immigration**

4 (1) Except as otherwise provided in this section, the Minister of Citizenship and Immigration is responsible for the administration of this Act

Minister of Public Safety and Emergency Preparedness

4 (2) The Minister of Public Safety and Emergency Preparedness is responsible for the administration of this Act as it relates to: (a) examinations at ports of entry; (b) the enforcement of this Act, including arrest, detention and removal; (c) the establishment of policies respecting the enforcement of this Act and inadmissibility on grounds of security, organized criminality or violating human or international rights; or (d) declarations referred to in section 42.1.

s.21(1)(a)

s.21(1)(b)

GAC plays a significant role in the TR processing by providing the international platform, as dictated in its mandate⁹. GAC mandate comes from the *Department of Foreign Affairs, Trade and Development Act*, not the IRPA. GAC has to occur the expenses and report on it in its external reporting and financial statements. Thus, IRCC has to transfer Appropriation funding to GAC to offset the costs generated by the utilisation of the international platform.

3.5.5 CBSA - Enforcement Volume Delay

CBSA mandate is to ensure Canada's security and prosperity by managing the access of people and goods to and from Canada. This includes any enforcement activities related to TR programs.

It is difficult to forecast with precision when the enforcement activities will occur or if they will. Fee collection is intimately tied to IRCC TR decisions but there could be significant delays between fee collection and port-of-entry and more specifically, enforcement activities. In a revenue spending authority, this means that CBSA's funding requirements would not necessarily be aligned or timely with in-year fee collection, revenues collected and available budget.

⁹ ***Departmental Plan 2019-20 - Core Responsibilities 5: Support for Canada's Presence Abroad.***

Global Affairs Canada manages and delivers resources, infrastructure and services enabling Canada's presence abroad, including at embassies, high commissions, and consulates. This is a global network of 178 missions in 110 countries that supports the international work of the department and 37 partner departments, agencies and co-locators. https://www.international.gc.ca/gac-amc/publications/plans/dp-pm/dp-pm_1920.aspx?lang=eng.

s.21(1)(a)

s.21(1)(b)

SECTION 4 – RECOMMENDED OPTION

s.21(1)(a)

s.21(1)(b)

Summary of the recommendations:

SECTION 5 – TR FEE STRATEGY

s.21(1)(a)

s.21(1)(b)

s.21(1)(a)

s.21(1)(b)

s.21(1)(a)

s.21(1)(b)

s.21(1)(a)

s.21(1)(b)

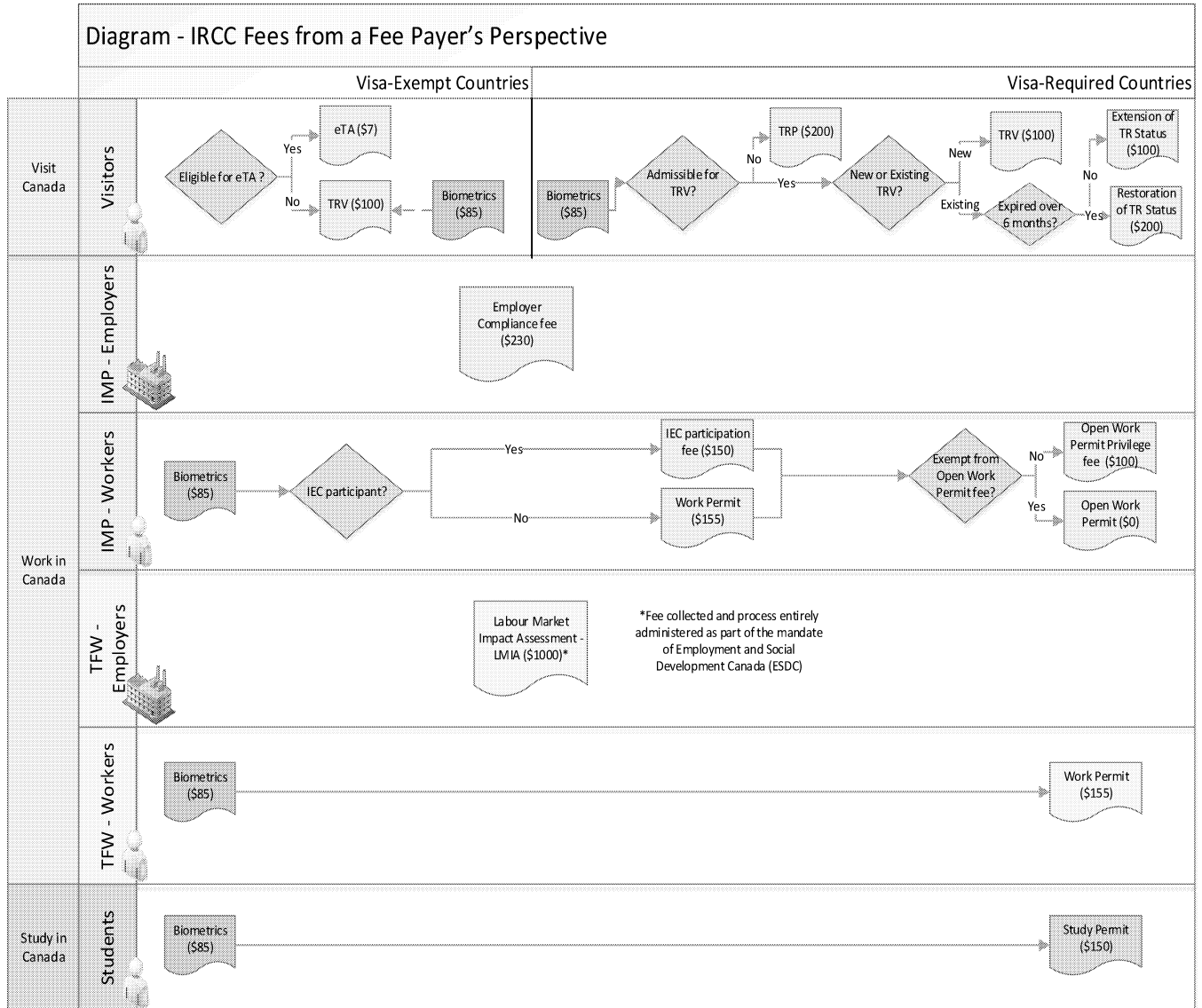
s.21(1)(a)

s.21(1)(b)

ANNEXES

ANNEX 1 – TEMPORARY RESIDENT FEES FROM A FEE PAYER’S PERSPECTIVE

In the diagram below, TRV refers to Temporary Resident Visa, TRP to Temporary Resident Permit and IMP to International Mobility Program.



ANNEX 2 – DEFINITIONS OF THE EXTERNAL FACTORS THAT INFLUENCE THE TR DEMAND

Political Context

Canadian and international political circumstances that can lead to an influence, an event, an action or a decision.

Worldwide Economic Situation

The international organization of money, industry, and trade. In other words, the international exchange of goods and services that is expressed in monetary units.

Global Competition

The existence of competing organizations that serve international customers.

Socio-economic Context

Canadian and international socio-economic circumstances that can lead to an influence, an event, an action or a decision

Accessibility and user friendly

How accessible and easy to understand/use is the existing process, tool or system to submit a request or an application.

Timeliness and services standards

The quality of delivering the good or service on time, based on the established service standards.

Government Policy on National Security

National security decisions, regulations or legislations that impact individual or social behavior.

Visa-Lift – impact of the volume composition

The impact of the intake volume composition following a decision to lift the Visa requirement for a specific country.

s.21(1)(a)

s.21(1)(b)

ANNEX 3 – FUNDING MODEL COMPARISON BY KEY ATTRIBUTES

ANNEX 4— LIST OF ORGANIZATIONS WITH SPENDING OF REVENUES AUTHORITY

1. Spending of Revenues pursuant to subsection 5.2(2) of the *Department of Employment and Social Development Act*,
2. Spending of revenues from other departments for which the Minister is responsible, pursuant to subsection 4.2(4) of the *Department of Health Act*,
3. Spending of revenues received through the conduct of its operations pursuant to section 60 of the *Canada Revenue Agency Act*,
4. Spending of revenues pursuant to subsection 18(2) of the *Canada School of Public Service Act*,
5. Spending of Revenues pursuant to Section 30 of the *Canadian Food Inspection Agency Act*,
6. Spending of revenues pursuant to paragraph 5(1)(e) of the *National Research Council Act* (R.S.C., 1985, c. N-15),
7. Spending of revenues pursuant to subsection 17(2) of the *Office of the Superintendent of Financial Institutions Act*,
8. Spending of Revenues pursuant to subsection 4.2 of the *Social Sciences and Humanities Research Council Act*,
9. Spending of Revenues pursuant to subsection 4.2 of the *Natural Sciences and Engineering Research Council Act*,
10. Spending of Revenues pursuant to Section 6(1)(g) of the *Canadian Centre for Occupational Health and Safety Act*,
11. Expenditures equivalent to revenues resulting from the conduct of operations pursuant to section 20 of the *Parks Canada Agency Act*
12. Expenditures pursuant to paragraph 21(3) of the *Nuclear Safety and Control Act*

ANNEX 5 – PROVISION IN THE VARIOUS DEPARTMENTAL ACTS FOR THE STATUTORY AUTHORITY - SPENDING OF REVENUES

ACTS	SECTION DETAILS
<p><u><i>Department of Employment and Social Development Act</i></u></p>	<p>5.1 (1) The Minister may provide support for service delivery to the public and, in so doing, he or she may</p> <p>(a) provide the following services and facilities to any partner entity and perform activities related to those services and facilities:</p> <ul style="list-style-type: none"> (i) services and facilities in support of its delivery of its programs and services, and (ii) any other service or facility that is authorized by the Governor in Council; <p>(b) provide the following services to any department or body listed in Schedule I, I.1 or II to the <u><i>Financial Administration Act</i></u> and to any other partner entity authorized by the Governor in Council and perform activities related to those services:</p> <ul style="list-style-type: none"> (i) the administration of websites that are accessible to the public, (ii) the administration of social media accounts, (iii) the publication of mobile applications on third-party mobile application stores and on the Government of Canada website, (iv) online citizen engagement, and (v) any other related electronic or digital service; <p>(c) administer the Government of Canada website; and</p> <p>(d) provide information services relating to programs and services of the Government of Canada and of any other person, organization or government authorized by the Governor in Council.</p> <p>5.2 (1) The Minister may charge for any service or facility provided under subsection 5.1(1), except the services provided under paragraph 5.1(1)(c) or (d).</p> <p>(2) The Minister may spend revenues obtained under subsection (1).</p>
<p><u><i>Department of Health Act</i></u></p>	<p>4.2 (1) The Department may provide services to, and receive services from, any board or agency for which the Minister is responsible and any of those boards or agencies may also provide services to each other.</p> <p>2) The Minister may fix the fees to be paid for services provided by the Minister or the Department to any board or agency for which the Minister is responsible and any of those boards or agencies may fix the fees to be paid for services provided to the Minister, the Department or to each other, despite subsection 6(1).</p>

	<p>(3) The amounts to be recovered for services provided under subsection (1) and the manner of calculating the amounts are subject to the approval of the Treasury Board and the amount charged for a service may not exceed the cost of providing the service.</p> <p>(4) Subject to any conditions imposed by the Treasury Board, any amounts received by the Department or a board or agency for services provided under subsection (1) may be expended, in the case of the Department, for any purpose of the Department, or, in the case of a board or agency, for any purpose of the board or agency.</p>
<p><i>Canada Revenue Agency Act</i></p>	<p>60 (2) In carrying out its responsibilities, the Agency may spend revenues received through the conduct of its operations in the fiscal year in which the revenues are received or, subject to subsection (4), in the following fiscal year, including</p> <ul style="list-style-type: none"> (a) payments for the sale, exchange, lease, loan, transfer or other disposition of property, including Agency real property as defined in section 73; (a.1) payments for the sale, exchange, loan, transfer or other disposition of property, and the leasing of property, including Agency immovable as defined in section 73; (b) fees for the provision of a service or the use of a facility or for a product, right or privilege; (c) payments received under contracts entered into by the Agency; and (d) refunds of expenditures made in the previous fiscal year. <p>60 (3) The revenues referred to in subsection (2) do not include taxes, duties, penalties or interest collected under the program legislation or the laws of a province or amounts collected for any department, government or public body.</p>
<p><i>Canada School of Public Service Act</i></p>	<p>18 (1) The President may, with the Treasury Board's approval, prescribe the fees or the manner of determining the fees</p> <ul style="list-style-type: none"> (a) to be charged for any service or for the use of any facility provided by the School; or (b) to be charged by the School when selling, licensing the use of or otherwise making available any copyright, trade-mark or other similar property right held, controlled or administered by the School. <p>(2) Subject to any conditions imposed by the Treasury Board, the revenue from fees received by the School in a fiscal year through the conduct of its operations may be spent by the School for its purposes in that, or the next, fiscal year.</p>
<p><i>Canadian Food Inspection Agency Act</i></p>	<p>24 (1) Subject to the regulations, the Minister may fix the fees to be paid for a service or the use of a facility provided by the Agency.</p> <p>(2) Fees fixed under subsection (1) may not exceed the cost to Her Majesty in right of Canada of providing the service or the use of the facility.</p>

	<p>25 Subject to the regulations, the Minister may fix fees in respect of products, right and privilege provided by the Agency.</p> <p>25.1 Sections 3 to 15 of the <i>Service Fees Act</i> do not apply to a fee fixed under section 24 for a service or the use of a facility provided by the Agency under the <i>Safe Food for Canadians Act</i> or to a fee fixed under section 25 in respect of products, right and privilege provided by the Agency under that Act.</p> <p>26 (1) Before fixing a fee under section 24 or 25, the Minister must consult with any persons or organizations that the Minister considers to be interested in the matter.</p> <p>(2) The Minister must publish any fee fixed under section 24 or 25 in the <i>Canada Gazette</i> within thirty days after fixing it.</p> <p>(3) Any fee fixed under section 24 or 25 stands permanently referred to the Committee referred to in section 19 of the <i>Statutory Instruments Act</i>, to be reviewed and scrutinized as if it were a statutory instrument.</p> <p>27 The Treasury Board may make regulations for the purposes of sections 24 to 26.</p> <p>28 The Agency may enter into an agreement with any person, provincial government or other authority respecting the collection of fees fixed under this Act or any other Act that the Agency enforces or administers by virtue of subsection 11(1) and, notwithstanding subsections 17(1) and (4) of the <i>Financial Administration Act</i>, authorizing that person, government or authority to withhold amounts from those fees.</p> <p>29 (1) The Minister may remit all or part of any fee fixed under section 24 or 25 or under any Act that the Agency enforces or administers by virtue of subsection 11(1), and the interest on it.</p> <p>(2) The Minister may withdraw or withhold a service, use of a facility, a product or conferral of a right or privilege within the responsibilities of the Agency, from any person who fails to pay the fee fixed for it if, in the Minister's opinion, it is consistent with public health and safety.</p> <p>30 In carrying out its responsibilities, the Agency may spend money that Parliament appropriates to it and revenues received by it through the conduct of its operations, including</p> <ul style="list-style-type: none">(a) payments for the sale, exchange, lease, loan, transfer or other disposition of personal or movable property;(a.1) payments for the sale, lease or other disposition or transfer of real or immovable property;(b) fees for the provision of a service or use of a facility or for a product, right or privilege; and(c) refunds of expenditures made in the previous fiscal year.
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<p><i>National Research Council Act</i></p>	<p>5 (1) Without limiting the general powers conferred on or vested in the Council by this Act, the Council may</p> <ul style="list-style-type: none">(a) subject to the approval of the Governor in Council, make by-laws for the conduct of its business;(b) control and direct the work of the Council through the President;(c) undertake, assist or promote scientific and industrial research, including, without restricting the generality of the foregoing,<ul style="list-style-type: none">(i) the utilization of the natural resources of Canada,(ii) researches with the object of improving the technical processes and methods used in the industries of Canada, and of discovering processes and methods that may promote the expansion of existing or the development of new industries,(iii) researches with the view of utilizing the waste products of those industries,(iv) the investigation and determination of standards and methods of measurements, including length, volume, weight, mass, capacity, time, heat, light, electricity, magnetism and other forms of energy, and the investigation and determination of physical constants and the fundamental properties of matter,(v) the standardization and certification of the scientific and technical apparatus and instruments for the Government service and for use in the industries of Canada, and the determination of the standards of quality of the materials used in construction of public works and of the supplies used in the various branches of the Government service,(vi) the investigation and standardization, at the request of any of the industries of Canada, of the materials used or usable in, or the products of, the industries making the request, and(vii) researches, the object of which is to improve conditions in agriculture;(d) have charge of and direction or supervision over the researches that may be undertaken, under conditions to be determined in each case, by or for single industrial firms or by such organizations or persons as may desire to avail themselves of the facilities offered for this purpose;(e) expend, for the purposes of this Act, any money appropriated by Parliament for the work of the Council or received by the Council through the conduct of its operations;(f) acquire any money, securities or other property by gift, bequest or otherwise, and expend, administer or dispose of any of the money, securities or other property subject to the terms, if any, on which the money, securities or other property is given, bequeathed or otherwise made available to the Council;(g) appoint such scientific, technical and other officers as are nominated by the President, fix the tenure of their appointments, prescribe their several duties and, subject to the approval of the Governor in Council, fix their remuneration;
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	<p>(h) authorize the President or any other officer of the Council to appoint persons to perform duties of a temporary nature for a period not exceeding six months;</p> <p>(i) establish, operate and maintain a national science library;</p> <p>(j) subject to the approval of the Minister, publish and sell or otherwise distribute such scientific and technical information as the Council deems necessary;</p> <p>(k) carry on work and manufacturing of an experimental and developmental nature with respect to the matters referred to in paragraphs (c) and (d) so as to render the processes, methods or products relating to those matters more available and effective in useful arts and manufacturing and for scientific purposes and otherwise;</p> <p>(l) license, sell or otherwise grant or make available to others, and receive royalties, fees and payment for, any intellectual property right — including any patent, copyright, industrial design, trade-mark, trade secret, know-how or other similar right and any such future right that is described under a written agreement — that is held, developed, administered or controlled by the Council, whether vested in Her Majesty in right of Canada or in the Council; and</p> <p>(m) operate and administer any astronomical observatories established or maintained by the Government of Canada.</p>
<p><i>Office of the Superintendent of Financial Institutions Act</i></p>	<p>17 (1) The Minister may make expenditures out of the Consolidated Revenue Fund to defray the expenses arising out of the operations of the Office.</p> <p>2) The Minister may spend, for the purpose mentioned in subsection (1), any assessment and interim assessment received under section 23 or 23.1 and any other revenue arising out of the operations of the Office.</p> <p>(3) The aggregate of expenditures made under subsection (1) shall not at any time exceed by more than \$40,000,000, or such other amount as may be specified in an appropriation Act, the total of the assessments and revenues referred to in subsection (2).</p> <p>(4) No expenditure may be made under subsection (1) without the approval of the Treasury Board if the aggregate of the expenditures actually made under that subsection at any time exceeds the aggregate of</p> <p>(a) all assessments and revenues referred to in subsection (2), and</p> <p>(b) moneys appropriated by Parliament pursuant to section 16.</p>
<p><i>Social Sciences and Humanities Research Council Act</i></p>	<p>4 (1) The functions of the Council are to</p> <p>(a) promote and assist research and scholarship in the social sciences and humanities; and</p> <p>(b) advise the Minister in respect of such matters relating to such research as the Minister may refer to the Council for its consideration.</p> <p>(2) The Council, in carrying out its functions under subsection (1), may</p>

	<p>(a) expend, for the purposes of this Act, any money appropriated by Parliament for the work of the Council or received by the Council through the conduct of its operations; and</p> <p>(b) publish and sell or otherwise distribute such scholarly, scientific and technical information relating to the work of the Council as the Council considers necessary.</p>
<p><i>Natural Sciences and Engineering Research Council Act</i></p>	<p>(2) The Council, in carrying out its functions under subsection (1), may</p> <p>(a) expend, for the purposes of this Act, any money appropriated by Parliament for the work of the Council or received by the Council through the conduct of its operations; and</p> <p>(b) publish and sell or otherwise distribute such scholarly, scientific and technical information relating to the work of the Council as the Council considers necessary.</p>
<p><i>Canadian Centre for Occupational Health and Safety Act</i></p>	<p>(1) The Centre may, in furtherance of its objects,</p> <p>(a) promote, assist, initiate and evaluate research;</p> <p>(b) establish and operate systems and facilities for collecting, recording, processing, analysing, evaluating and disseminating statistics and other information;</p> <p>(c) publish and otherwise disseminate scientific, technological and other information;</p> <p>(d) provide advice, information and service relating to existing or anticipated occupational health and safety problems to workers, trade unions, employers and government, to national, provincial and international organizations and to the public;</p> <p>(e) support and facilitate the training of personnel in and for the field of occupational health and safety;</p> <p>(f) sponsor and support public meetings, conferences and seminars;</p> <p>(g) expend, for the purposes of this Act, any money appropriated by Parliament for the work of the Centre or received by the Centre through the conduct of its operations;</p> <p>(h) give recognition to public or private organizations or individuals for outstanding contributions in the field of occupational health and safety; and</p> <p>(i) do such other things as are conducive to the carrying out of its objects.</p> <p>(2) The Centre shall consider briefs and other written representations submitted to it on matters relating to occupational health and safety and may arrange public forums relating thereto.</p>
<p><i>Parks Canada Agency Act</i></p>	<p>20 (1) For the purposes of paragraphs (2)(b) and 21(2)(a), terms and expressions used in those paragraphs have the same meaning as in the <i>Federal Real Property and Federal Immovables Act</i>.</p>

	<p>(2) Notwithstanding subsection 29.1(1) of the <i>Financial Administration Act</i>, the Agency may, for the purposes referred to in subsection 19(1), spend amounts equal to revenues resulting from the conduct of its operations in that or subsequent fiscal years, including</p> <ul style="list-style-type: none"> (a) proceeds from the sale, exchange, loan or other disposition or the licensing of any personal property or moveables acquired, held or administered by the Agency; (b) proceeds from any of the following transactions in respect of federal real property and federal immovables under the administration of the Minister for the purposes of the Agency: <ul style="list-style-type: none"> (i) the lease or giving of a licence, (ii) the transfer to Her Majesty in any right other than Canada of administration and control, otherwise than in perpetuity, and (iii) a disposition of any right or interest, other than a disposition referred to in paragraph 21(2)(a); (c) proceeds from, including fees paid under any Act of Parliament in respect of, the provision by the Agency of a service, of the use of a facility or of a product, right or privilege; (d) proceeds from any money recovered under section 29; and (e) any refund of expenditures made in previous fiscal years.
<p><i>Nuclear Safety and Control Act</i></p>	<p>(3) The Commission may spend for its purposes the revenue from the fees it charges for licences or classes of licences issued under section 24 in the fiscal year in which the revenues are received or in the next fiscal year.</p>

s.21(1)(a)

s.21(1)(b)

ANNEX 6 – REGULATORY CHARGES

s.21(1)(a)

s.21(1)(b)

s.21(1)(a)

s.21(1)(b)