

The travel document represents the sole source of revenue. Under a fee structure recommended by Treasury Board for approval by the Governor in Council, fees are, in principle, established for a four-year period. They were most recently established in January 1992.

The volume of business is determined fundamentally by demographic and economic factors. Historically, there has been a correlation between the rate of growth in the number of Canadian international air passengers and the rate of growth in the demand for passports. To estimate demand we, therefore, employ forecasts on passenger traffic prepared by Transport Canada and published as *Aviation Forecasts "Top 30 Airports"*.

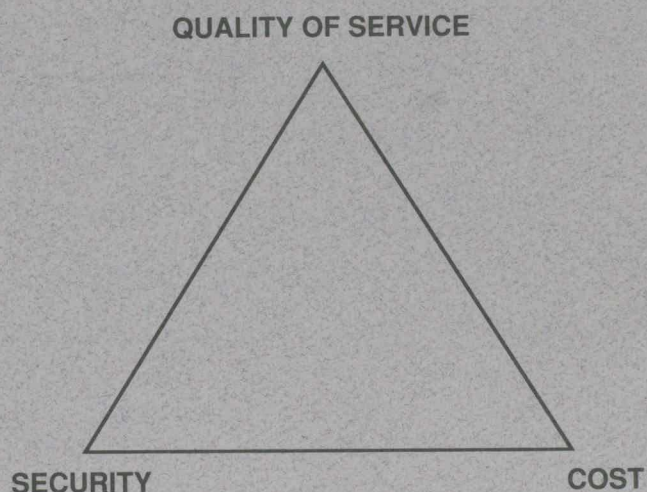
Transport Canada develops its forecasts taking into account such factors as demographic data, immigration trends, the international political situation, the economy, personal disposable income per capita, the strength of the Canadian dollar and air fares.

As shown in *Graph 1*, the most recent statistics issued by Transport Canada, in September 1991, point out sustained and progressive increase in the number of Canadian international air passengers. Transport Canada estimates that, in

spite of the current recession, the number of Canadian international air passengers will increase in 1992 by 11% over 1991 and in 1993 by 10.8% over 1992. According to Transport Canada's statistics, Canadian international travel will continue to grow well into the next century.

2.6 Our Challenge

To achieve the performance targets agreed upon for the Passport Office as an SOA, while delivering an effective product at an acceptable level of service, calls for the constant balancing of the variables of security, service and cost.



For example, increased security measures might lead to a reduced level of service and additional cost to the Passport Office. Conversely, enhanced levels of service might jeopardize security while keeping costs high. Cutting costs could seriously hamper our efforts to ensure a high-quality product, efficiently delivered.

Decisions related to these variables have an impact on the productivity rates set by the Passport Office.

GRAPH 1

