



## The online taxman

### Championing change leads to success at CCRA

by Richard Bray

For many Canadians, their first experience with e-government has been Netfile, the Canada Customs and Revenue Agency's online income tax filing system. Millions of Canadians have successfully filed their tax information electronically. According to CCRA officials, Canadians have few concerns about security, taking the attitude that if CCRA says it is safe then it must be safe.

Two decades ago, that may not have been the case. All too many Canadians had an adversarial relationship with the tax collector. Taxation became a major issue in the 1984 election that swept the Progressive Conservatives into office. In the year leading up to that election, the Tory party had toured the country with a Task Force on Taxation. Making headlines on that tour was a very young politician named Perrin Beatty. First elected to Parliament at the age of 22, Beatty became Minister of National Revenue in September 1984, and immediately began implementing the Taxpayer Bill of Rights.

Suddenly, after months of criticizing the Revenue department, and angering many of its employees, Beatty was in charge of the turn-around.

Today the CEO and president of Canadian Manufacturers and Exporters, an Ottawa-based association, Beatty recalls, "If you had taken a vote among the rank and file employees in the department on the person they would least like to have had as Minister, I would have led the list."

Beatty said he was fortunate to hear the opinions of National Revenue employees as well as other Canadians before becoming Minister, because he took office knowing that all the public servants wanted was an opportunity to be professional.

"They were judged on 'how much did you reassess a person,' 'how much did you increase the assessment,' rather than 'how accurate was your assessment,' and collectors were judged on how successful they were on up-ending the taxpayer and shaking the coins out of his pockets, as opposed to how successful they were in ensuring compliance," he said.

Bad relations with citizens were also jeopardizing a voluntary 'self-assessment' system that had traditionally meant government avoided the expense of heavy-handed enforcement.

"We had a very high level of compliance, but increasingly, as people thought the system was unfair, it drove people into the underground economy," Beatty said. "They took the law into their own hands and said to themselves, 'we can't win within the system, so we have to go outside of the system.'"

Armed with a short document that laid out all the changes the Conservative Task Force recommended, Beatty quickly learned that his new Deputy Minister at National Revenue, Harry Rogers, and his team had already analyzed the document and its recommendations.

"It meant that we could move very quickly in implementing the Task Force recommendations," he said. "First of all, the relationship with taxpayers changed dramatically and then secondly, people felt good about

what they were doing, that they were professionals and that they believed in service as opposed to simply compliance."

Looking back on his experience, Beatty sees his good fortune in being able to hit the ground running in his portfolio. Far from having three or four years, he said, "In fact, your window is the first year, year and a half, if you are going to make really profound change. This was a case where all the stars were in alignment. There was a commitment within the department to make change, there was a desire on the part of rank and file employees to see a better system, enormous public pressure to do it and a government with a clear mandate and a commitment to make change."

Does Beatty see a direct connection between the transformation he began almost 20 years ago at National Revenue, and the trust today's taxpayer has in the CCRA's electronic services?

"It's certainly consistent with it," he said. "CCRA continues to be in a position of leadership relative to any other tax authority that I know of in the world, in terms of its use of technology and in terms of the philosophy of how it operates" he said. "It makes the system much more user-friendly, more efficient and less costly in terms of administrative overheads, and it ensures much greater compliance, so at the end of the day, better revenues are the result."

In the end, he said, successful change was based on fairness, a vision of better service for Canadians and, "There was a real sense of alignment between the politicians and the public servants." ❧

*Richard Bray is an Ottawa-based freelance writer specializing in the IT sector. He has been published in magazines and newspapers in Australia, the US and Canada. Before freelancing, he worked as a producer, reporter and senior writer for CBC in Toronto.*

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