



ESTIMATES

Tax Court of Canada

Performance Report

For the period ending
March 31, 2001

Canada

Improved Reporting to Parliament Pilot Document

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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Foreword

In the spring of 2000 the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Earlier this year, departments and agencies were encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on results – benefits to Canadians – not on activities. It sets the department’s performance in context and associates performance with earlier commitments, explaining any changes. Supporting the need for responsible spending, it clearly links resources to results. Finally the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organization according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:

<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to this Internet site or to:

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**TAX COURT OF CANADA
(TCC)**

DEPARTMENTAL PERFORMANCE REPORT

For the period
ending
March 31, 2001

The Hon. Anne McLellan
Minister of Justice and
Attorney General of Canada

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SECTION I: MESSAGE FROM THE REGISTRAR

Since its creation in 1983, the Tax Court of Canada has contributed to improving the Canadian judicial system so as to ensure that it meets the needs of today's society, or in other words that it is modern, accessible, rapid and affordable.

In 2000-2001, we have continued to work at constantly improving our services to Canadians. Our actions were in full adherence with the management commitments of the Federal Government.

Citizen-focus. The results of our most recent client satisfaction survey confirm that the efforts we have made over the past few years to improve our services meet the needs of Canadians. However, the survey also reveals that we will have to improve our communication products in order to demystify the appeal process and the judicial process as a whole.

Results for Canadians and respect of Canadian Values. As Registrar of the Tax Court of Canada, I wish to assure the Canadian people that we are listening to them and that we will spare no effort to provide them with high-quality services and information and with a judicial process that is fair and equitable.

Our determination to constantly improve access to the Court's information and services has enabled us to occupy an important position in the Canadian judicial system, which has been made possible by our great adaptability and the excellence of our extremely dedicated staff. These same attributes will enable us meet the challenges we will be facing over the next few months while at the same time honouring our commitments to all Canadians.

Responsible Spending. As part of the Modern Comptrollership function, the Court has successfully implemented, on April 2001, the Financial Information System. FIS will upgrade the financial side of the performance and will permit us to closely link the planning, management and reporting of results or outcomes to the in-time availability of both financial and non-financial information. To support this government-wide initiative, the Court has named a champion that will be responsible for its implementation and promotion.

Finally, on September 18, 2001, the Bill C-30 was tabled in the House of Commons. This Bill is to establish a body that provides administrative services to the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court and the Tax Court of Canada.

R.P. Guenette

SECTION II: OVERVIEW OF THE COURT

1. Mandate, mission, vision

a) Mandate

The Tax Court of Canada has exclusive original jurisdiction to hear and determine references and appeals on matters arising under the *Income Tax Act*, the *Canada Pension Plan*, the *Old Age Security Act*, the *Petroleum and Gas Revenue Tax Act*, the *Unemployment Insurance Act*, the *Employment Insurance Act*, Part IX of the *Excise Tax Act* and the *Cultural Property Export and Import Act*. The Court also has exclusive original jurisdiction to hear and determine appeals on matters arising under the *War Veterans Allowance Act* and the *Civilian War-related Benefits Act* as referred to in section 33 of the *Veterans Review and Appeal Board Act*.

b) Mission

We are committed to providing the public with an accessible and efficient appeal process and to working together to maintain a fair and independent court.

c) Vision

We would like the TCC to be recognized nationally and internationally as a self-governing and avant-garde body that distinguishes itself by the excellence of its services, its highly skilled work force, the efficiency with which it communicates with its partners, clients and employees, its use of the most advanced technology and the straightforwardness of its rules and procedures.

2. Organization of the Court

The Court, which has its Headquarters in Ottawa, consists of the Chief Judge, the Associate Chief Judge, 19 other judges and two supernumerary judges. To ensure that appeals are heard in a timely manner, the Chief Judge may appoint deputy judges with the approval of the Governor in Council. There are currently nine deputy judges.

The Chief Judge is responsible for distributing work to the judges and for assigning judges to each sitting of the Court. The Court has regional offices in Montréal, Toronto and Vancouver. It also shares premises with the Federal Court of Canada in Edmonton, Calgary, Winnipeg, Québec, Halifax and Fredericton. The Court may sit in over 65 hearing locations in Canada.

The Registrar, who is a deputy of the Commissioner for Federal Judicial Affairs as the result of a delegation of authority under subsection 76(2) of the *Judges Act*, is the deputy head of the Tax Court of Canada. The Commissioner for Federal Judicial Affairs reports to

the Minister of Justice. The Registrar, as the principal officer of the Court, is responsible for the administration of the Court.

a) Description of the Business Line: The Registry

The business line structure described below was approved by the Treasury Board under the Planning, Reporting and Accountability Structure (PRAS) document.

The objective of our Business Line is to provide an easily accessible and independent Court for the expeditious disposition of disputes between any person or corporation and the Government of Canada on matters arising under the *Tax Court of Canada Act* or any other legislation under which the Court has original jurisdiction.

In addition to its main business line, the Court has the following three service lines: the Appeals Management Directorate, the Corporate Services and the Strategic Planning and Communications Directorate.

b) Description of the sector of services

1. Appeals Management

This service line provides litigants with guidance and advice on Court practices and procedures and provides the judges of the Court with orderly and efficient scheduling of hearings.

2. Corporate Services

This service line provides the Registry with support in the areas of finance, administration, security, library services, facilities management, human resources and information technology.

3. Strategic Planning and Communications

This service line provides the Registry with support relating to strategic planning, communications, legal information, and editing and revising.

SECTION III: PERFORMANCE OF THE COURT

1. Societal Context

a) Objective

To provide an easily accessible and independent Court for the expeditious disposition of disputes between any person and the Government of Canada on matters arising under the *Tax Court of Canada Act* or any other legislation under which the Court has original jurisdiction.

b) The Tax Court' Strategic Priorities, the Federal Government Horizontal Priorities and the Canadians

The Tax Court of Canada's program objective revolves around the following four strategic priorities:

- i) to improve the effectiveness of the Court's appeal process;
- ii) to improve public access to the Court and its services;
- iii) to improve service delivery; and
- iv) to ensure the judicial independence of the Court.

These four strategic objectives, which are closely linked to the federal government's horizontal priorities relating to Government On-Line and the Service Improvement Initiative, permit us to provide citizen-driven services, measure the concrete results that Canadians obtain from our services and respect the values of our fellow citizens in respect of access to relevant and accessible information and to prompt, fair and equitable justice.

The backdrop to all this is the efficient and responsible use of public money via the gradual and effective implementation of the federal government's Modern Comptrollership initiative, which aims to provide managers with integrated financial and non-financial performance information, a mature approach to risk management, appropriate control systems, and a shared set of values and ethics.

2. Government on line

i) Appeals - Electronic Filing

In its Report on Plans and Priorities for 1999-2000, the Tax Court of Canada identified as a priority the implementation of the electronic transmission of documents between appellants or their representatives and the Court.

However, we had underestimated the technological complexity of the electronic transmission of documents, and the implementation of the project was accordingly subject to some delays.

We have overcome the obstacles as they have arisen, and on September 1, 2001 the Court launched a six-month pilot project of its online filing system. Appeals or applications can now be filed on line through our Web site. Other documents required in the appeal process are also accepted electronically. The parties, however, still have to comply with the Rules of Procedure and forward original copies of the documents they file electronically until the Rules are changed. A list of all hearings scheduled in every location where the Court sits regularly is also accessible on our Web site. We invite comments and suggestions from the users of these facilities and will review and evaluate the feedback received over the six-month period.

One of the advantages of Electronic-Filing will be the reduced number of Applications for an Extension of Time to File a Notice of Appeal and a Reply to Notice of Appeal. This advantage is due to the speed of the medium and the increased ability to communicate to the Court within the time limits imposed by the rules. Electronic-filing adds a method of communication which allows the filing of documents, response to enquiry's and delivery of documents to the Court at any time regardless of time zones or the hour of the day. This will speed process and assist in balancing workloads.

Having a choice in how Canadians deal with the Tax Court of Canada is important. Canadians can be assured that the Electronic-Filing complement, not replace, other methods of interacting with the Court. We want to provide the highest quality of service, whether it is in-person, over the telephone or on the Internet. And we will continue to develop initiatives that make the Court services more accessible to all Canadians.

ii) Appeals Management - Statistics

Over the past fiscal year, 4,822 appeals (**see Table 1**) were filed with the Tax Court of Canada. This represented an increase of 350 appeals over the preceding fiscal year, 1999-2000, in which 4,472 appeals were filed. In comparison, 5,673 appeals were filed in 1998-99.

It should be explained that as a consequence of the implementation on November 1, 1998 of a new filing fee of \$100 (per appeal), counsel for the appellants in one case involving the research and development tax credit filed over 1,100 appeals in October 1998 in order to avoid paying the new filing fee.

Table 1 also includes appeals disposed of in 2000-2001. It should be noted that the data in the "Appeals Disposed of" column reflect not only appeals filed and disposed of in 2000-2001, but also appeals filed in earlier years that were disposed of in 2000-2001.

TABLE 1 APPEALS FILED AND DISPOSED OF IN 2000-2001

FISCAL YEAR 2000-2001

Appeal Types	Appeals Filed	Appeals Disposed of
Income Tax – Informal Procedure	1721	1939
Income Tax – General Procedure	1093	715
Goods and Services Tax – Informal Procedure	346	394
Goods and Services Tax – General Procedure	216	99
Employment Insurance	1121	1457
Canada Pension Plan	315	228
Old Age Security Act	10	12
Petroleum and Gas Revenue Act	0	0
War Veterans Allowance Act	0	0
Civilian War-related Benefits Act and the Veterans Review and Appeal Board Act	0	0
Cultural Property Export and Import Act	0	1
Total	4 822	4 845

Table 2 presents a range of appeals disposed of during the 2000-2001 fiscal year. It indicates the fiscal years in which the appeals disposed of in 2000-2001 were filed.

Table 2 APPEALS DISPOSED OF IN 2000-2001 THAT WERE FILED IN EARLIER FISCAL YEARS

	Disposed of 2000-2001	Disposed of in 2000-2001 but Filed in			
		2000-2001	1999-2000	1998-1999	Prior to 1998-1999
Income Tax – General	715	38 (5%)	111 (16%)	375 (52%)	191 (27%)
Income Tax – Informal	1939	412 (21%)	1023 (53%)	282 (20%)	122 (6%)
GST – General	99	9 (9%)	21 (21%)	54 (55%)	15 (15%)
GST – Informal	394	85 (22%)	222 (56%)	74 (19%)	13 (3%)
Employment Insurance	1457	239 (16%)	643 (44%)	352 (24%)	223 (15%)
Canada Pension Plan	228	69 (30%)	150 (66%)	9 (4%)	0 (0%)

In total, it can be seen that almost 63% of the appeals disposed of had been filed in the current or preceding fiscal year. It should be noted that appeals filed under the General Procedure are more complex and have a longer life cycle than appeals filed under the Informal Procedure. If appeals disposed of under the Informal Procedure are considered separately, it can be seen that 75% of the appeals disposed of had been filed in the current or preceding fiscal year. These percentages represent a slight increase over those of the preceding year.

3. Service Improvement Initiative

The essence of the Service Improvement Initiative is that the continuous and measurable improvement of client satisfaction is the most reliable indicator of improvement in service quality and service performance.

The Court accordingly conducted a client survey over the past few months. The purpose of the survey was to assess the level of client satisfaction with TCC services, information, facilities and judicial process. The appellants had to rate each feature on a scale of 1 to 6, where 6 indicated the highest level of importance or satisfaction. It is important to note that we were not trying to assess the appellants' level of satisfaction with the decision rendered by the Court.

We sent out 1,464 questionnaires to appellants or their representatives, which had appeals disposed in 1999 through a hearing. Appeals disposed by withdrawals or consents were not included in our target group. We obtained a 39% return on our survey.

In summary, the level of satisfaction from who filled out the survey is positive and encouraging for the Court staff.

Total Results by Feature

Quality of Service	Importance			Level of Satisfaction		
	# of Response	Rating 4,5,6	Rating 5,6	# of Response	Rating 4,5,6	Rating 5,6
Courtesy	540	94%	83%	521	86%	75%
Respect	539	95%	85%	518	83%	75%
Responsiveness	528	95%	86%	506	78%	65%
Timeliness of service	531	92%	81%	506	68%	51%
Access in both official languages	324	65%	58%	223	88%	84%
Hearing access in other languages	229	53%	45%	123	80%	76%
Affordable cost of access	461	90%	79%	414	77%	63%

As far as the **quality of our services** is concerned, the respondents expressed satisfaction as regards our services in both official languages (84%), courtesy (75%) and the respect shown by our staff (75%).

However, it is clear from the results that we must significantly improve the quality of our services from the point of view of timeliness of service. A 51% level of satisfaction (rating

5,6) is very low. We must therefore identify the source of the problem and take whatever action is necessary to improve our clients' level of satisfaction in this respect.

Our clients' level of satisfaction is also low where the affordability of access to our services is concerned. Only 63% of our clients said they were satisfied (rating 5,6). We believe that the reason for this is the \$100 filing fee appellants have been required to pay since November 1, 1998.

Quality of Facilities	Importance			Level of Satisfaction		
	# of Response	Rating 4,5,6	Rating 5,6	# of Response	Rating 4,5,6	Rating 5,6
Hearing room safety and security	491	81%	66%	468	92%	79%
Hearing room accessibility	495	84%	68%	476	89%	76%

As regards the **quality of our facilities**, the survey shows that the level of satisfaction is quite high. The results vary from 73% to 79%.

Quality of Information	Importance			Level of Satisfaction		
	# of Response	Rating 4,5,6	Rating 5,6	# of Response	Rating 4,5,6	Rating 5,6
Accuracy of information provided	519	95%	91%	498	79%	64%
Access to public proceedings	410	87%	77%	378	81%	68%
Ability to participate in the process	488	94%	89%	464	77%	67%

The Court is at all times concerned with the **quality of the information** transmitted to its clients. The survey results show that we must focus our efforts on demystifying the judicial process, especially in respect of self-represented appellants.

Some work has already been done in improving the level of service to self-represented litigants. Judgments are available on the Court's Web site; this should provide a common source of reference easily accessible to the public. Also, a pamphlet titled "Your Day in

Court” is currently being developed to inform self-represented litigants on how to prepare themselves for their hearing and how the hearing itself will proceed.

Quality of Judicial Process	Importance			Level of Satisfaction		
	# of Response	Rating 4,5,6	Rating 5,6	# of Response	Rating 4,5,6	Rating 5,6
Fair and reliable judicial process	536	96%	95%	514	67%	55%
Independence of the judicial process	507	95%	94%	482	70%	59%

More time is usually required by Registry staff and Judges to explain and guide self-represented litigants through the appeal process. The additional tools being provided to the self-represented litigants will not only help them prepare themselves better but will also provide the Registry’s staff a common source of frequently asked questions.

4. Modern Comptrollership

The application of modern comptrollership at the Tax Court of Canada means refining and revisiting some of our management practices. Modern comptrollership is synonymous with improving our management abilities and capabilities. The Tax Court of Canada has been endeavouring to apply the concept of modern comptrollership and will continue these efforts in the coming year. One example of the establishment of the modern comptrollership function is the successful implementation of the Financial Information Strategy (FIS) on April 1, 2001 which will upgrade the financial side of the performance and will permit us to closely link the planning, management and reporting of results or outcomes to the in-time availability of both financial and non-financial information.

We are constantly challenging our management philosophy to develop and apply a risk management approach in the management of our main business line as well as service lines of the Court. Rigorous stewardship is being applied to safeguard public assets; develop key control systems including management processes and measures of success. The Court already has a statement of values which are based on respect, professionalism, teamwork and client-orientation.

This sound management framework will enable our Managers to make and communicate appropriate choices thereby leading to a better service to the general population and honouring our commitment to effective and efficient administration of the Court.

-APPENDIX I: FINANCIAL PERFORMANCE OF THE COURT

The following tables apply to the Tax Court of Canada. They provide a brief summary of our financial performance.

Table 1. Summary of voted appropriations

Table 2. Comparison of total planned spending with actual expenditures

Table 3. Historical comparison of total planned spending with actual expenditures

Table 4. Non Respendable Revenues

The difference between the Planned Spending and Total Authorities amounts in Tables 1 and 2 is mainly due to a \$241,000 rollover from the 1998-99 fiscal year, \$247,000 in salary funds received for signed collective agreements and a \$163,000 adjustment to employee benefit plans.

Table 1 – Summary of voted appropriations

Financial Requirements by Authority (\$ millions)			
		2000-2001	
Voted		Planned Spending	Total Authorities
50	Program – Registry of the Tax Court of Canada		
	Operating Expenditures ¹	11.5	12.6
	Total Department	11.5	12.5

¹ Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities.

**Table 2. Comparison of Total Planned Spending to Actual Spending, 2000-2001
(millions of dollars)**

Departmental Planned versus Actual Spending			
	2000-2001		
	Planned	Total Authorities	Actual
Registry of the Court			
FTEs	121	121	118
Operating ¹	11.5	12.6	12.5
Capital	-	-	-
Grants and contributions	-	-	-
Total Gross Expenditures	11.5	12.6	12.5
Less:			
Respendable Revenues	-	-	-
Total Net Expenditures	11.5	12.6	12.5
Other Revenues and Expenditures			
Non-respendable Revenues ²	(0.5)	(0.6)	(0.6)
Cost of services provided by other Departments ³	3.5	3.5	3.5
Net Cost of the Program	14.5	15.5	15.4

¹ Total actual operating costs includes contributions to employee benefit plans

	\$=000's
Salaries and Wages	6,079
Other Operating	5,202
Spending of Proceeds from Disposal of Crown Assets	
Sub-total	11,281
Contribution to Employee Benefit Plans	1,210
Total Actual Expenditures	12,291

² Non-respendable revenues include Appeal Fees (575 000 \$) and sales of photocopies of judgments (40 000 \$)

³ Services provided by other government departments includes:

	\$=000's
Accommodation provided by Public Works and Government Services Canada (PWGSC)	3,150
Contributions covering employees share of insurance premiums and costs paid by Treasury Board Secretariat (5.6 % of salaries and wages of 6,079,000 \$)	341
Total	3,491

Table 3. Historical Comparison of Total Planned Spending to Actual Spending (millions of dollars)

Business Line	Actual 1998-1999	Actual 1999-2000	2000-2001		Actual
			Total Planned	Total <i>Authorities</i>	
Registry of the Court	13.0	11.8	11.5	12.6	12.5
Total	13.0	11.8	11.5	12.6	12.5

Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities.

Table 4. Non-Respendable Revenues (millions of dollars)

	Actual 1998-1999	Actual 1999-2000	2000-2001	
			Planned	Actual
Registry of the Court	0.5	0.6	0.5	0.6
Total Non-Respendable Revenues	0.5	0.6	0.5	0.6

Non-respendable Revenue details are provided below (\$ = 000's).

	1998-1999	1999-2000	2000-2001
Appeals Fees	477	520	575
Sales of Photocopies of Judgments	39	32	40
Total	516	552	615

APPENDIX II: OTHER INFORMATION

Contacts for Further Information

Further information on the strategic planning portion of this document can be obtained by contacting:

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Legislation Administered by the Tax Court of Canada

The Tax Court of Canada has authority to hear cases on matters arising under the following Acts:

<i>Income Tax Act</i>	R.S.C. 1985, c. 1 (5th Supp.), as amended
<i>Canada Pension Plan</i>	R.S.C. 1985, c. C-8, as amended
<i>Old Age Security Act</i>	R.S.C. 1985, c. O-9, as amended
<i>Petroleum and Gas Revenue Tax Act</i>	R.S.C. 1985, c. P-12, as amended
<i>Unemployment Insurance Act (repealed)</i>	R.S.C. 1985, c. U-1, as amended
<i>Employment Insurance Act (Part III)</i>	S.C. 1996, c. 23, as amended
<i>Excise Tax Act (Part IX)</i>	R.S.C. 1985, c. E-15, as amended
<i>Cultural Property Export and Import Act</i>	R.S.C. 1985, c. C-51, as amended
<i>War Veterans Allowance Act</i>	R.S.C. 1985, c. W-3, as amended
<i>Civilian War-related Benefits Act</i>	R.S.C. 1985, c. C-31, as amended
<i>Veterans Review and Appeal Board Act</i>	S.C. 1995, c. 18, as amended