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Chair

Mr. Massimo Pacetti

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• (1115)

[English]

The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)): Order, please.

I have an additional piece of information from one of the research papers from the Library of Parliament dated March 10 that is drawn from the report that was tabled in the House of Commons by the Treasury Board, *Review of the Governance Framework for Canada's Crown Corporations—Meeting the Expectations of Canadians*. On page 2 of our document, item d), it says:

The appropriate Parliamentary committee reviews the candidate recommended by the Minister. The federal government will work closely with Parliamentary committees to ensure a workable appointment review process that will not unduly delay necessary appointments.

This is also one of the recommendations that was made. Thank you.

Ms. Roveto, it's a pleasure to have you here. This is a new process for the committee, so what I'd like is to allow you five minutes to talk about yourself.

[Translation]

Ms. Connie Roveto (As an Individual): Mr. Chairman, members of the committee, I am pleased to be here today. I will gladly answer any questions you may have concerning my appointment to the position of Chair of the Board of Management of the Canada Revenue Agency.

You have received a copy of my curriculum vitae and as you can see, the bulk of my experience comes from my work in the private sector,

[English]

specifically in the financial services industry. I think I've enjoyed executive leadership in business lines with very similar characteristics to the Canada Revenue Agency.

In addition, I've had extensive experience in governance in the private sector, the public sector, and the not-for-profit sector. I continue, and have continued, my education with respect to corporate governance, and I was one of the first graduates of the Rotman School of Management's Corporate Governance College, which led to a designation by the Institute of Corporate Directors.

I look forward to sharing my experience in strategy development, governance, and leading large organizations with the Canada Revenue Agency and the colleagues on the board.

I recognize that there is a difference between the public sector and the private sector, but I believe that in its creation one of the objectives of the Canada Revenue Agency was to bring the best of both of those worlds together.

[Translation]

I'm also delighted that I'll be working with other board members as well as with Commissioner Michel Dorais and the Minister, the Honourable John McCallum, to build on CRA's achievements over the past five years and to contribute to future successes.

Thank you.

[English]

The Chair: Thank you.

We can go to the members now for the first round of seven minutes.

Mr. Pallister.

Mr. Brian Pallister (Portage—Lisgar, CPC): Thanks for being here. You have the misfortune of being the first nominee that we have to deal with subsequent to the previous nominee put forward by the revenue minister, who just happened to be a long-time associate of his.

I preface my questions to you hoping you understand that there is a natural degree of cynicism as a result of the fact that Mr. McCallum tried to circumvent the Treasury Board guidelines on hiring with his previous nominee. So my questions will relate somewhat to those things and will appear on the surface to be excessively partisan, but I have to raise them in this way because of the nature of the nominee who put your name forward, not because of your qualifications. I hope you understand that.

The first thing is, are you a member of the Liberal Party, or have you been a member of the Liberal Party before?

• (1120)

Ms. Connie Roveto: Mr. Chairman, I am not a member of the Liberal Party. Previously I was a member at the provincial level of both a riding association of the Liberal Party at one time and of the Conservative Party at another time.

Mr. Brian Pallister: Have you supported political parties financially in the past as well?

Ms. Connie Roveto: During the past 15 years the focus of my political participation has been across party lines and has concentrated on helping worthy female candidates across party lines get elected. Women are 52% of the population, and we are underrepresented at all levels of government.

Mr. Brian Pallister: Perhaps a new female revenue minister would be a good idea.

Where would the financial support you've offered in recent years, for example, in 2000-01, have been directed?

Ms. Connie Roveto: In recent years I think I've hit three parties in terms of financial donations. Do you want specifics as to candidates?

Mr. Brian Pallister: I'd like to know if you supported federal Liberal candidates for sure, yes.

Mr. Brian Pallister: The Treasury Board process that Mr. Alcock trumpeted last March highlighted the need to get into a more transparent model. That's part of the reason you're here today, and we appreciate your being here.

The concerns I have are more related to your specific attitudes involving an issue of long standing. The Auditor General has indicated in numerous reports—numerous auditors general have said they feel this way—that the tax revenue shortfall that results from interest charges on the debts of foreign-controlled Canadian corporations to finance investments in third countries is in the area of hundreds of millions of dollars.

Would you agree that tax havens are an emerging issue of concern that should be addressed by CRA board of management?

Ms. Connie Roveto: Mr. Chairman, my understanding of the role of the board of management of the Canada Revenue Agency is that it is very much specifically related to the operation of the agency, in terms of its efficiencies, its core competencies, its ability to meet the needs of Canadians both at the federal and provincial levels with respect to efficient compliance with tax administration. It is not involved, to my understanding, either in tax policy or in the enforcement of tax matters; therefore, I'm not sure whether it is appropriate for me to respond to the honourable member's question today.

Mr. Brian Pallister: I submit to you it's totally appropriate. The fact is, the board provides to management input on emerging trends and issues. That is a specific responsibility of the board, in fact. This is why I asked the question: emerging trends and issues. The use of tax havens in Canada has been growing exponentially, according to the Auditor General's numbers. It seems a trend. This is why I'm asking you, and I'll ask you again: do you see this as a trend that is of concern to you? Do you think it's one that should be addressed by the CRA board and this government in fact?

The Chair: Let me suggest that you answer it to the best of your ability. What I have here is that the board “does not have the authority to administer and enforce legislation”. I don't think that's what the question.... If you can—

• (1125)

Ms. Connie Roveto: If I can remember the mission of the Canada Revenue Agency, it's to support the compliance of individuals as well in Canada, in terms of the equitable taxation of Canadians. From my perspective, first, I don't know much about the issue, other

than that having been in the trust business I've come into contact with legitimate offshore situations.

To my knowledge, a lot of this growth in offshore usage is much more cocktail chatter than actual fact. I believe—and again, I'm not a tax lawyer or an accountant, so I only have an average Canadian's view of the subject—that Canadians must now report all international income, regardless of where they are custodied, and that there is very minimal usage of tax shelters offshore.

I remember in the nineties there were the immigrant trusts, where an immigrant with sizeable assets was allowed to come to Canada and to hold assets and have income offshore for five years without being taxed. So there are some things.... As to the extent of it today, as I said, my perception from when I was in the trust business is that it was more cocktail chatter than actual fact.

Mr. Brian Pallister: I'll just share—

The Chair: Thank you, Mr. Pallister.

Mr. Brian Pallister: —with you, then, the numbers. Whether you're aware of them, I want them on the record. In 1988, the investment, for example, in Barbados was \$628 million—

The Chair: Thank you, Mr. Pallister.

Monsieur Loubier.

Mr. Brian Pallister: —and in 2001 it was \$23 billion. That's an increase of 3,600%. So as opposed to cocktail chatter, I would suggest to you this is an issue very worthwhile for you to investigate further, these exponential increases in the use of these tax shelters by Canadian companies.

The Chair: Thank you, Mr. Pallister.

[*Translation*]

You have the floor, Mr. Loubier.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Thank you, Mr. Chairman.

Welcome, Ms. Roveto. I was greatly impressed by your curriculum vitae. Your experience and career path are truly remarkable. I do, however, have a question for you.

Regarding Mr. Pallister's question about tax shelters, I note that you have often been linked with investment firms, in particular with the Bank of Montreal. You served as Director and Chair of the Investment Committee. Therefore, you were well aware of the Bank of Montreal's diversified investment portfolio.

As you undoubtedly know, in the Caribbean — I've often raised this matter with the Canadian Banking Association — the five major Canadian banks operate approximately 50 branches to serve a very small population. You stated that you associate tax shelters with cocktail chatter. Could you elaborate further on that statement?

When you worked for the Bank of Montreal, did you ever question certain operations, or were you ever involved in investments in branches which are viewed by some, among others by the Financial Action Task Force on Money Laundering, an OECD organization, as tax havens known for engaging in sometimes questionable or unacceptable practices when it comes to transparency or disclosure of the identity of account holders, in particular persons associated with organized crime?

Ms. Connie Roveto: Mr. Chairman, the Bank of Montreal is a large institution. In the course of my work,

[*English*]

I had no involvement with the investments of the bank itself. My role was in ensuring the management of the assets of clients of the bank. In that respect, the only offshore jurisdiction that I dealt with was the Bank of Montreal Trust Company on the Channel Islands, where I was chair of the investment committee. As I indicated earlier, the sole purpose of that entity was the holding in trust of assets of wealthy immigrants to Canada who were given a tax holiday for five years when they immigrated. I don't know anything about Barbados.

• (1130)

[*Translation*]

Mr. Yvan Loubier: Very shortly, the Standing Committee on Finance will be devoting one day to reviewing the tax convention between Canada and Barbados as well as certain provisions of the Income Tax Act. By connecting the provisions of the act with those of the convention, it's possible to avoid paying some taxes, particularly in the case of international shipping firms.

If we could manage to convince you that this is more than just cocktail chatter, that problems do exist, that a certain class of citizens is getting preferential treatment, would you take the appropriate aggressive action to close this loophole and demand that those who owe money to the Canada Revenue Agency pay up just like everyone else?

[*English*]

Ms. Connie Roveto: Mr. Chairman, I certainly would be very pleased to listen to the committee and to learn more about this area and some of the concerns. My exposure to the Canada Revenue Agency to date has been very minimal, and I would have to seek advice from the commissioner as to whether or not this was within the responsibilities of the board. I do know the board has a responsibility to advise the minister in certain circumstances, but I don't know if this is one of the circumstances that would be appropriate. I think that's all I can answer at this point.

[*Translation*]

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Thank you very much. I must admit that I'm most impressed by your curriculum vitae. You have worked extensively in the private sector in the fields of banking, financial services and so forth. No doubt you know that the machinery of government is often much more cumbersome and moves forward at a much slower pace.

How do you feel about going from a more flexible environment that responds quickly to the markets and that calls for constant, high doses of adrenalin to a government agency where unfortunately,

procedures are sometimes more cumbersome and the pace much slower? How do you hope to avoid unfortunate circumstances like the one in which Mr. Lafleur is involved where certain things happen, ostensibly for the sake of greater efficiency?

[*English*]

Ms. Connie Roveto: Mr. Chairman, as I said in my opening statement, I recognize that the CRA is a very large and complex organization and unique in terms of its governance structure and who has responsibility to whom, etc.

My career, as you rightly noted, has been mostly in the private sector. However, I have had exposure to the public sector in sitting on the board of a crown corporation and a hospital board in Ontario, where, even as the fiscal year is ending today, we really don't know what our budget allocation was for this past year. So although my experience might not be as much as some have, I think I have a good understanding of the patience required, sometimes the ambiguity of the situation, and I think in that respect I have a fairly calm, reflective personality that absorbs and will deal with things as prudently as it can.

The Chair: Thank you, Monsieur Côté.

Mr. Hubbard, and then I have Ms. Wasylycia-Leis.

Mr. Charles Hubbard (Miramichi, Lib.): Thank you, Mr. Chair.

In terms of recruitment, how were you brought to this point? Was it through an advertisement or through an agency that was looking for someone with your capabilities to do this? How did you reach here? Could you just let the committee know how your name appears here today. Did you apply for the job? Were you recruited? How did it happen?

• (1135)

Ms. Connie Roveto: Mr. Chairman, I was first approached regarding the position by an executive search firm in Ottawa. I believe it was in mid-October. At that point they asked if I had any interest in having my name put forward either as a director or as chair of the agency. After some reflection, I responded in the affirmative to that question. They did some investigation and checked some references. Approximately three weeks later I had another telephone call with them, at which point they set up an appointment with the commissioner, who was Mr. Alan Nymark at that time. That occurred mid-November. The next contact would have been in December, when I had a call from the Privy Council Office, I believe it was, requesting that I sign a consent for a security check and a check of my tax records.

I was not aware until early January that my name was being put forward to be chair of the organization, at which point I had another brief discussion with the Privy Council Office regarding my willingness to serve. Subsequent to that, in late January, I had a telephone discussion with the new commissioner, last week I met Monsieur Dorais for lunch, and I'm here today.

Mr. Charles Hubbard: In terms of your assessment of this particular job or role that you're going to take on, I look at your résumé and I see your experience where you've advanced through some of the biggest corporations. I think one thing it says here about you is that you invested people's money and increased its value by 115%; so you must have done a very satisfactory job of handling money. You doubled an investment, and a little bit over. Then you went on and worked with Manulife indirectly, one of the largest financial institutions in Canada—in fact, challenging the banks for control of financial activity.

I guess we all talk about our careers, but in terms of your career and all of these jobs you've had, has each one been an advancement, and do you see this as another step in terms of meeting a challenge you have, either personally or in terms of your career, to enhance your experiences and to provide really good services to the people of Canada in terms of the agency?

Ms. Connie Roveto: Thank you, Mr. Chairman.

Although my career probably looks like it's planned, in many respects the biggest driving force has been curiosity. That is really what moved me from human resources to systems and from systems into the investment business and financial services.

As I mentioned, when I got the call from the executive search firm, I did spend some time reflecting on whether this was the appropriate move. In many respects I found it the confluence of several interests I have.

I've always been interested in the public sector. I think this is a particularly interesting time in the public sector for innovation and new ideas. The CRA is a result of innovative thinking. It is a very good time, after many difficult years in the public sector.

I'm interested in the issues that will be facing organizations such as the Canada Revenue Agency over the next five years. One of the things I noted in the last annual report is the disclosure that 17.5% of the employees will be retiring by 2007, and there is the risk of loss of corporate memory. This is something that's going to impact our economy, not only at Canada Revenue Agency but also in the banks and the insurance companies and throughout the economy. The risk is that it creates greater opportunity for things to go bump in the night.

The issues of technology are another interest, and lastly, there is my demonstrated interest in the issue of governance and ensuring there is appropriate governance and due diligence in the public sector as well as the private sector.

• (1140)

Mr. Charles Hubbard: This is my final question—we have only seven minutes each.

In terms of your own assessment, we hear a lot about the so-called underground economy, that as a nation and as a government we lose a tremendous amount of tax revenue each year through various.... What would be your position, your attitude, in terms of looking at that? Is it a problem?

Secondly, does it deserve a lot of attention, or is it something that we continue to overlook, as we've done probably in the past?

Ms. Connie Roveto: Again, I go back to the mission statement of the Canada Revenue Agency, which is to promote compliance in terms of taxation and reporting. We are a self-reporting country in terms of taxation. I do believe that the underground economy is an issue that needs to be taken seriously. I'd be interested in discussing with the agency and the board the role the agency can have in improving compliance.

Do you use the carrot or the stick in terms of that respect? Is it a question of educating citizens of the privilege and responsibility of being a Canadian citizen in terms of paying their taxes?

That is something, particularly as we see a generational change, that has to be looked at very seriously.

The Chair: Thank you.

Mr. Charles Hubbard: It's always a privilege to pay your taxes.

The Chair: Thank you.

Before I allow Ms. Wasylycia-Leis to ask a question, I'd just ask, is the position full time or part time?

Ms. Connie Roveto: It's part time.

The Chair: Okay.

Ms. Wasylycia-Leis.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Thank you very much.

Thank you for being here.

You didn't know John McCallum at all before...?

Ms. Connie Roveto: I've never met the man, nor have I ever spoken to him.

Ms. Judy Wasylycia-Leis: What's the name of the executive search firm that approached you?

Ms. Connie Roveto: It was Ray & Berndtson.

Ms. Judy Wasylycia-Leis: Was that the first time you connected the possibilities of holding this position?

Ms. Connie Roveto: Yes.

Ms. Judy Wasylycia-Leis: You indicated that the major focus of the agency is compliance. I don't disagree with that.

I'm sorry, I don't want to put words into your mouth. What do you think is the major role of the agency, and therefore the major role of the board and your position?

Ms. Connie Roveto: My understanding is that the major role of the agency is to promote compliance, but also to efficiently administer the collection of taxes from citizens and corporations at the federal and provincial levels through agreements, as well as to efficiently process payments under certain legislation to individuals in the country.

Ms. Judy Wasylycia-Leis: In terms of that whole area of compliance, do you think there's any truth to the perception people have that when it comes to big business or corporations, we can be pretty lenient—and you've heard all the arguments around tax havens—but when it comes to individuals owing money, we're ready to crack down and demand every penny right up front, and if not, to make life miserable?

That's something I hear on a regular basis. Do you think there's any truth to that, and what can you do through the agency, in your position, to fix that?

Ms. Connie Roveto: My understanding is that in recent years the agency has made great strides in being more customer friendly. I can only talk from cases I've heard about from people myself that they were surprised at how easy the agency was in terms of setting out a schedule for them to make their payments.

In recent years, my perception—and that's all I can talk about—is that the agency has improved in terms of its friendliness to Canadian citizens who have gotten themselves in trouble in paying taxes.

• (1145)

Ms. Judy Wasylycia-Leis: So you're not aware of the difficulty individuals have in actually making contact with someone in an office in their community to sort out their affairs on a personal basis. You're not aware of the shift away towards call centres and Internet services.

Ms. Connie Roveto: My understand is actually that there is a shift to call centres and to Internet services, rather than away from it.

Ms. Judy Wasylycia-Leis: Sorry, that was my point, a shift to those—

Ms. Connie Roveto: Oh, I'm sorry.

Ms. Judy Wasylycia-Leis: —and away from the ability of people to get help from real people, and not have to make appointments and not have to wait, but to actually get the help they need when they know they're in trouble. Are you aware of that, and what would you do about it? How does moving toward call centres make that any better?

Ms. Connie Roveto: In that case, I can only talk about my own personal experience in terms of correcting an error in a tax return over the past couple of years. Personally, I was surprised at how easy it was.

I'd like to perhaps learn more about these things, and certainly, in that respect, I do believe the management board has a role to play in ensuring that Canadians get the best service possible.

Ms. Judy Wasylycia-Leis: You would probably have some appreciation of the fact that, especially from the point of view of women, sometimes it's hard to juggle your schedule in terms of work and family responsibilities and trying to get the help you need at a revenue agency office.

I guess what I'm trying to get at is, what do you bring to this position in terms of public service? You have lots of credentials on the banking side, lots of credentials on the big corporation side, but I'm not getting much of a sense of your understanding of what it's like to be an ordinary citizen grappling with this, someone who has gotten caught up in not paying his or her taxes and it has mushroomed.

It's not a matter of simply calling a call centre and getting it sorted out; you need help, and you need someone to talk to. I think Revenue Canada has actually moved away from that and has made it more difficult.

I'd like you to address that, but also, what if you owe taxes, as an individual citizen? How do you get the money back to government?

Ms. Connie Roveto: The first question is on accessibility, and the second question is how I think a citizen can pay back.

To be quite honest with you, I think the Internet and call centres increase accessibility and don't decrease it, because you can call somebody at any time of day or night and get a response. It isn't limited to office hours. So I'm not sure I understand your seeing that as a decrease.

I understand your concern, quite rightfully, that some people need help in working through their situations and understanding how they can come back to some payment plan. My understanding at this point is that the out-calling process that has been initiated by the Canada Revenue Agency does provide some of that. It's something I definitely would have to learn more about.

On the other thing that often helps individuals, if they have perhaps gone into too much debt, there are organizations that help them restructure. They provide them with financial counselling on a not-for-profit basis. Perhaps the agency needs to be able to refer clients.

This is getting to a level of detail that, to be quite honest with you, I'm not too familiar with.

• (1150)

The Chair: Thank you, Ms. Wasylycia-Leis.

Mr. Pallister.

Mr. Brian Pallister: I'm concerned about your lack of understanding. You've known about this nomination since October, yet you don't appear to be aware of the influence that Revenue Canada's board can have on fair taxation policy and its development. This is essential. Just a cursory reading on the website of the roles and responsibilities of the board would tell you that the CRA's mission is to promote compliance and to deal with enforcement responsibly.

Yet an issue raised on six different occasions by the Auditor General of Canada since 1990 is one you dismiss as cocktail chatter. This, I have to tell you, concerns me. The use of tax havens by companies now in the thousands, including, of course, Canada Steamship Lines, is resulting in an unnecessary erosion of the Canadian tax base—not according to me, but according to the Auditor General of Canada.

Your responsibilities and the board's responsibilities are to provide input on emerging issues of concern. If there is a perception among Canadians that the tax system isn't fair and that it's placing inequitable burdens on Canadians, I hope you can understand the reason I would have a concern that the very mandate of Revenue Canada's board addressed that issue of great importance.

I'll give you an opportunity to respond.

Ms. Connie Roveto: There are two things, Mr. Chairman.

First, I agree with the fact that the board has a role to provide input and influence, even though its actual accountability may not be to make such things happen. So I recognize the role the board has to provide input and influence, although it is not directly accountable. Perhaps that's what I was differentiating it from.

Second, I've certainly heard your statistics today, and much to my surprise they prove that my perception was wrong, if the Auditor General has so reported. So in that respect, I think it would be an appropriate discussion point for the board as a whole, but not a position that I as chair would take without the consensus of the board.

Mr. Brian Pallister: Yes. To elaborate on the side of risk assessment and risk management, it also specifies the roles and responsibilities of the board. You should provide input and review the principle risks that the agency faces to ensure the appropriate systems are in place to manage those risks. As you well know, risk assessment is a broad category, but I would argue that the risk to the Canadian tax base from the growing trend that we're seeing on the use of tax havens is a pretty significant risk.

I'll ask you again, based on the information that you've been provided today, do you now see these tax havens as an emerging issue that should be addressed by the board and this government?

Ms. Connie Roveto: Mr. Chairman, if this is an issue that has been raised by the Auditor General...I know that both the United States as well as the European Economic Community have raised issues about these tax havens. There is a great move to pretty well shut them down. It is an issue that is probably valid from the point of view of public policy. I think it's very much up to both the minister and the Minister of Finance to discuss the policy and how to deal with this.

Although the CRA has a point from the points of view of risk management, input, and influence, at this point, since I've not met any of the other board of director members, I feel a bit—

• (1155)

Mr. Brian Pallister: No, I'm not asking you for their views. I'm asking for your view, of course.

Ms. Connie Roveto: I think the views of a board of—

Mr. Charles Hubbard: Mr. Chair, on a point of order, I don't want to challenge this, but the legislation under which various companies operate, either within Canada or outside Canada, is the product of our government and of our Parliament. We don't have a witness who can change that. It's up to us, as a finance committee and as a Parliament, to make these changes.

I'm afraid that Mr. Pallister is certainly in an area where he doesn't have—

The Chair: I'm not sure it's a point of order, but I think it's going well.... We're treading a fine line. On the board competency, I think this is also on the website, as Mr. Pallister was saying. One of the responsibilities of the board is to provide input to management on emerging trends and issues, so that's where I'm allowing the relevancy.

I'm going to allow Ms. Roveto a chance to finish answering the question.

Ms. Wasylycia-Leis.

Ms. Judy Wasylycia-Leis: On the point of order, I think there's another requirement in terms of having this question answered. If the mandate of the board is compliance, and the questions are on what to do when compliance isn't happening and when tax evasion might be

occurring, I think it's legitimate to ask the nominee, who is chair of this board, to answer that.

The Chair: Again, I have no problem with it. The questions, I think, are quite relevant. I also don't see much of a difference between the question Mr. Hubbard asked on how she feels about the underground economy and asking about people not paying income tax based on the underground economy and tax savings. I'm allowing this.

Mr. Charlie Penson (Peace River, CPC): Is this a point of order or not a point of order, Mr. Chair? What is your ruling?

The Chair: My ruling is that it's not a point of order. We're going to continue and allow Ms. Roveto 30 seconds to answer the last question by Mr. Pallister. Then I'm going to go to Mr. Bell and Mr. Côté.

Mr. Brian Pallister: Make sure I don't lose my time.

Ms. Connie Roveto: Thank you, Mr. Chairman.

You brought up another good point, honourable member, on the issue of risk management. I can only tell you how I would approach it, rather than giving you answers today, being that I'm only a nominee and I also haven't had access to the input and knowledge of the other board members.

I'm a great believer in what is called enterprise risk management. Part of that is building a process that identifies and assesses all the risks that you have in the organization and then looking at ways to mitigate them to ensure appropriate governance reporting on those things. I would therefore be looking for that kind of a framework to identify these risks.

I'm a firm believer that the Canadian people expect the Canada Revenue Agency to enforce the laws of the country and to act equitably with all corporate and individual citizens. The role of the board is to basically ensure that.

The Chair: Mr. Bell, and then Mr. Côté.

Mr. Don Bell (North Vancouver, Lib.): Thank you. I have two questions in the area.

One is, in regard to the talk about call centres and personal approaches, what role do you see for, or how do you see, the use of the Internet? You can now file your taxes on the Internet. Do you see anything that you would see as improvements or opportunities to take that further or do anything more than is presently being done?

Ms. Connie Roveto: I have to admit that I don't file my own tax returns so I don't know how friendly the Internet filing process is.

I would say that given the growth of Internet usage in general, and specifically in terms of the filing of the tax returns, it is a method that Canadians like in terms of filing their tax return.

I'm sure there are some compliance issues related to Internet tax filings, in terms of receipts, etc. And there's the whole issue of security in terms of Internet filing of tax returns. But from my understanding, it's been a very successful process. I think one of the other impacts is it reduces the cost of tax collection on behalf of the Canadian people. So it has its advantages, and it's something that has to be suitably monitored and evaluated.

•(1200)

Mr. Don Bell: Within your comments about what you know generally about the board or the role of Revenue Canada, or CRA, or whatever current incarnation they have for the name of it, what do you believe, from your knowledge, are the main challenges facing the agency?

Ms. Connie Roveto: The Canada Revenue Agency delivers its services to Canadians with two key resources, people and technology. I think the challenges are based on very much the risks involved in both of those sectors.

One is, as I pointed out earlier, there's going to be a large retirement from Canada Revenue Agency over the next two years and then over the next window, which I think is 2012. It's become much more of a knowledge industry, and the ability to retain knowledgeable individuals who can deal with Canadians effectively is going to be one challenge.

There's also the ongoing challenge of technology, the use of technology and the security of technology, that faces the agency.

Lastly, the issue of compliance, as mentioned before, is another challenge. Particularly, there's a generational change in terms of people's attitudes toward compliance. I think more and more you get a society that's evolving into a "the rules apply to you but not to me" society, and I think that's going to be a big challenge for our type of compliance to tax reporting.

Mr. Don Bell: I'd like to add, as a comment, my point, and that made by Ms. Wasylycia-Leis, in response to an earlier question, that there's a frustration generally, from my point of view, about call centres or the direction in which that has gone. I think the Internet can be very useful because it can be more responsive, but I find that you can get lost in automatic responses on a telephone. There comes a time when most people, whether they're calling in for help on a product or something, or in the case of the taxation they likely have a very specific question, and there's nothing worse than being told to press 1 to get the most common questions answered, or to loop through.

Mr. Chair, I have a question in order to assess what we're looking for here, and it's in line with Mr. Pallister's questions. My reading of this in terms of the board is that we're talking about a board that's being put in place to ensure that the collection, not the taxation policies...it's not to comment on taxation, whether we should be taxing corporations or individuals or something else. It's there because government, having established tax policy...it's to ensure that it's done in a fair and effective way and that people are treated equally or correctly. The emerging trends and issues relate to the collection rather than to tax policy.

The Chair: Thank you, Mr. Bell.

I'm just going to answer quickly. If you look at part of the handout, the "Board Competency Profile - 2004"—I think it's tab 3 or 4 on page 3—you see "The Board is responsible for", and there's a whole list. If you look at the items in bullets and arrows, I think there are a lot of issues there that they're responsible for.

Mr. Côté, and then Ms. Wasylycia-Leis.

•(1205)

[Translation]

Mr. Guy Côté: Someone mentioned earlier that this was naturally a part-time position. How many days of work will this position demand of you in one year?

[English]

Ms. Connie Roveto: My understanding, from questions that I have asked of the previous commissioner, is that it ranges from 40 to 60 days a year.

[Translation]

Mr. Guy Côté: Even though this is a part-time position, what do you hope to accomplish by the end of your mandate as Chair of the Board?

[English]

Ms. Connie Roveto: Without more in-depth knowledge, with just a peripheral knowledge of the agency that I have from reading the documents at this time, I think the experiment of the Canada Revenue Agency, if you like, has been a great success to date.

I believe it can be an exemplary of governance for the public sector and, through its promotion of compliance, be an even friendlier and more customer-friendly agency to facilitate Canadians paying their taxes and supporting their responsibility as citizens.

[Translation]

Mr. Guy Côté: That's all, Mr. Chairman. Thank you.

The Chair: Thank you, Mr. Côté.

Ms. Wasylycia-Leis.

[English]

Ms. Judy Wasylycia-Leis: Thank you, Mr. Chairperson.

I'm still trying to get an appreciation for your skills and abilities in the area of public service. Your background is very heavily in financial and big banking interests.

Let me put it in the context of the fact that... Keep in mind that the Canada Revenue Agency is already one step removed from government. It's already a stand-alone agency. Often that is done as a transitional step to complete privatization.

It's not as if we have been lacking any information about the fact that this may be the intention of government. My question to you is, have you been approached to help to accomplish the government agenda of completing this scenario?

Ms. Connie Roveto: I have to admit, Mr. Chairman, this is the first time this concept has even been presented to me. I realize the agency is about to present its five-year review to...I'm not sure if it's to this committee or to Parliament in general, but I have not heard nor do I see how such a core issue within government, and the fact that the agency also provides services to a variety of provincial governments and first nations.... I think that would be a very tricky thing to do. It's not something I've thought of, nor has it been mentioned to me, nor has it even been brought forward.

Ms. Judy Wasylycia-Leis: If it was brought forward, would you be prepared to advise the minister about the downfalls of such an approach?

Ms. Connie Roveto: Mr. Chairman, my general perspective on things is not to approach an issue or a question with any predetermined conception but to wait until things are presented.

As I said, I can't fathom privatizing the Canada Revenue Agency, but I don't know everything about it. The board would have to evaluate all the issues and provide its consensus to the minister.

• (1210)

Ms. Judy Wasylycia-Leis: I have two other questions. The first has to do with an issue I raised earlier, and that is access to services when you need them. If the government were to take away completely the ability of citizens to drop by a Canada Revenue Agency office for help or advice, or to pay back their taxes, and such access were limited, would you be prepared to stand up to the minister and say this is wrong?

Ms. Connie Roveto: I've been known as a fairly independent thinker in my life, so I have no difficulty in providing my core opinions to the minister or any other individual. But again, this is very much a "what if" that is from my perspective way out there.

Ms. Judy Wasylycia-Leis: Let me change the question then and ask whether you can appreciate the importance of having an office available to people to be able to drop in to get the help they need, without necessarily having to rearrange their entire lives in order to be able to see someone and to be able to pay back any taxes owing.

Ms. Connie Roveto: My perspective is that the success of the organization is going to be based on being very customer-friendly. On that basis, how you become customer-friendly, or how you are more customer-friendly at this point in time, is—

Ms. Judy Wasylycia-Leis: But the essence of being friendly to the consumer and accessible is that you have an office you can go into to get some help. If you take that away, is that consumer-friendly? Is that public-friendly?

Ms. Connie Roveto: I think it depends on the circumstances, to be quite honest with you. I think there are other ways of being customer-friendly. Do I foresee the Canada Revenue Agency closing down all of its offices?

Ms. Judy Wasylycia-Leis: I'm not saying.... I didn't say....

Let me ask my last question.

Are you aware of the Empire Club, and have you ever attended one of their functions?

Ms. Connie Roveto: I was a member of the board of the Canadian Club, and on occasion we had joint luncheons with the Empire Club. I think in a lot of cases it was when the Minister of Finance came to speak, and yes, I did attend those lunches.

Ms. Judy Wasylycia-Leis: Were you ever a head table guest at an Empire Club event?

Ms. Connie Roveto: I don't recall. I could have been, but to be quite honest with you, I don't recall. I have been at a Canadian Club event. I may have been a head table guest at an Empire Club event.

Ms. Judy Wasylycia-Leis: You wouldn't recall if you were a head table guest at an Empire Club function? You wouldn't remember that? I think I would remember that. Wouldn't you?

The Chair: Thank you, Ms. Roveto.

I just have a quick question. With your present job and with the additional responsibilities, how are you going to be able to juggle the two, in terms of time and responsibilities?

Ms. Connie Roveto: Right now I have my own firm, which is a vehicle for me to pursue my interests in business, and I did it specifically to allow flexibility in my timetable and to do more governance work. So it does fit in with my timetable, and when I agreed to put my name forward, I looked at how I could balance things effectively.

The Chair: Thank you. Thank you again for your time.

Let me ask everybody who shouldn't be here to leave the room, because I would like to go in camera, if the members are ready.

Thank you, Ms. Roveto.

[*Proceedings continue in camera*]

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