

Tax Court of Canada

**1998-99
Estimates**

Report on Plans and Priorities

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Section I: Message

A. Message from the Registrar

I am pleased to present the Report on Plans and Priorities for fiscal years 1998-2001 for the Tax Court of Canada. The Performance Report tabled in Parliament on November 6, 1997, provided us with a great opportunity to tell our story. It allowed us to reflect on our past performance and identify areas for improvement. Most of all, that exercise provided the foundation of our commitment to improve the performance of the Court and achieve the results that the Canadian public rightfully expects from us. This Plan and Priorities Report reaffirms our commitment to excellence in service delivery and organizational renewal. It sets forth our mission, our strategic objectives, our priorities and the indicators which will gauge our performance over the next three years.

The Court will pursue its efforts to achieve its ultimate priority of re-engineering its services. To reach our goal, we will seek ways to innovate our processes and systems, so that decisions continue to be made fairly and efficiently and services provided expeditiously. We will aim to make our information and processes more understandable and accessible to the Canadian public by investing smartly **«in state of the art technologies»**. We will strive to enhance public trust in the judicial system by achieving greater accountability, without compromising our fundamental principle, **«judicial independence»**. To assist us in our efforts to foster within the Court a culture based on results, we will implement a comprehensive-wide performance measurement system.

We are still awaiting a decision by the Minister of Justice regarding the potential merger of the Trial Division of the Federal Court of Canada and the Tax Court of Canada. However, during this period of uncertainty, we will not be distracted from the successful accomplishment of these mission-driven initiatives. I am confident that the continuous dedication and strong commitment of our employees, will enable us, on the eve of this new millennium, to become **«one of the most dynamic and efficient Courts»**.

R. P. Guenette

B. Management Representation Statement

**Management Representation
Report on Plans and Priorities 1998-99**

I submit, for tabling in Parliament, the 1998-99 Report on Plans and Priorities (RPP) for the Tax Court of Canada.

To the best of my knowledge, the information:

- Accurately portrays the TCC's mandate, plans, priorities, strategies and expected key results of the organization.
- Is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*.
- Is comprehensive and accurate.
- Is based on sound underlying departmental information and management systems.
- I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Name: _____

R. P. Guenette
Registrar

Date: _____

Section II: Departmental Overview

A. Mandate

The Registry provides administrative services to the Tax Court of Canada which 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 *Employment Insurance Act* (formerly the *Unemployment Insurance Act*), Part IX of the *Excise Tax Act* and the *Cultural Property Export and Import Act*. The Court also has exclusive jurisdiction to hear and determine appeals on matters arising under the *War Veterans Allowance Act* and the *Merchant Navy Veteran and Civilian War-related Benefits Act* as referred to in section 33 of the *Veterans Review and Appeal Board Act*.

B. Program 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.

C. Mission Statement

We at the Tax Court of Canada are committed to providing the public with an accessible and efficient appeal process and to working together to maintain a fair and independent Court.

D. Strategic Objectives

The Tax Court of Canada's Mission Statement is comprised of four commitments to our clients on behalf of all Canadians. It is from these commitments that we derive our strategic objectives:

1. To improve the effectiveness of the Court's Appeal Process;
2. To improve public access to the Court and its services;
3. To improve service delivery;
4. To enhance the judicial independence of the Court.

E. Business and Service Line Structure

1. Introduction

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

The Tax Court of Canada consists of one main business line (the Registry) and two service lines (Appeals Management and Corporate Services).

2. Description

The Registry of the Tax Court of Canada provides a range of services to the Court through the following services lines: Appeals Management and Corporate Services.

a) Appeals Management

This Service Line

- provides litigants with guidance and advice on Court practices and procedures; and
- provides the Judges of the Court orderly and efficient scheduling of hearings.

b) Corporate Services

This Service Line

- provides the Registry with support in the areas of finance, administration, security, library, human resources, information technology as well as editing and revising.

F. Organizational Structure for Program Delivery

The Court, with its Headquarters in Ottawa, consists of the Chief Judge, the Associate Chief Judge and 20 other Judges plus three Supernumerary Judges. To ensure the expeditious hearing of appeals, the Chief Judge may, with the approval of the Governor in Council, appoint Deputy Judges. There are currently eight Deputy Judges.

The Chief Judge is responsible for the apportionment of the work among the Judges and the assignment of individual Judges to specific sittings of the Court. The Court has its own court accommodations in Vancouver, London, Toronto, Ottawa and Montréal, and shares accommodation with the Federal Court of Canada in Edmonton, Calgary, Winnipeg, Québec City, Halifax and Fredericton. In other locations, the Court uses provincial court accommodations, where available, leases commercial accommodation or partners with other levels of government. For Income Tax appeals, the Court may now sit in roughly 40 locations

across Canada. For Employment Insurance appeals, the Court may sit in over 80 locations across Canada.

The Registrar, as the Deputy to the Commissioner for Federal Judicial Affairs, through complete 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 executive direction of the Court.

G. Financial Spending Plan

Tax Court of Canada

(\$ thousands)	Forecast Spending 1997-98*	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Gross Program Spending:				
Registry of the Tax Court of Canada	11,100	10,358	10,343	10,328
Less:				
Revenue Credited to the Vote	-	-	-	-
Net Program Spending	11,100	10,358	10,343	10,328
Less: Revenue Credited to the Consolidated Revenue Fund	445	445	445	445
Plus: Cost of Services Provided by other Departments	3,137	3,302	3,354	3,434
Net Cost of the Department	13,792	13,215	13,252	13,317

*Reflects best forecast of total planned spending to the end of the fiscal year.

Section III: Plans, Priorities and Strategies

A. Summary of Key Plans, Priorities and Strategies

The Tax Court of Canada is committed to providing all Canadians with a forum for the resolution of their tax disputes before an independent and impartial decision-making body. Our dedication is based on the fundamental values which are entrenched in our Mission Statement and which guide our everyday actions. Those guiding principles are: access to justice for all, efficiency, fairness and judicial independence.

The following chart displays the Tax Court of Canada's major commitment and key results which are expected for the planned year.

Tax Court of Canada has a budget of \$10,358,000 in 1998-99	
To provide Canadians with:	To be demonstrated by:
A more effective and efficient Appeals Process.	<ul style="list-style-type: none"> • Re-engineering the Court's Appeals Process • Increasing the use of Technology and Information Management • Strengthening Accountability

B. Details by Program and Business Line

This section will relate the long-term strategic objectives, priorities and resources of the Tax Court of Canada to its main business line (the Registry).

1. Planned Spending

Tax Court of Canada

(\$ thousands)	Forecast Spending 1997-98*	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Gross Program Spending:				
Registry of the Tax Court of Canada	11,100	10,358	10,343	10,328
Less: Revenue Credited to the Consolidated Revenue Fund	445	445	445	445
Net Cost of the Department	10,655	9,913	9,898	9,883

*Reflects best forecast of total planned spending to the end of the fiscal year.

2. Objective

The business line of the Tax Court of Canada is its Registry Services.

This main business line provides Canadians with the right to an accessible and efficient Court of record for hearing cases in areas involving taxation and other federal programs such as Canada Pension Plan, Employment Insurance and Old Age Security.

3. External Factors Influencing the Business Line

Significant factors could affect the extent to which the Tax Court of Canada's mandate and strategic priorities are achieved during the planned period concerned. These include:

→ **Long-term Repercussions**

The Minister of Justice's decision regarding the potential merger of the Trial Division of the Federal Court of Canada and the Tax Court of Canada as a result of the Auditor General's Report could have a tremendous impact on the Court's mandate and organizational structure.

→ **Short-term Repercussions**

As an interim solution to the amalgamation of the Trial Division of the Federal Court of Canada and the Tax Court of Canada, the former Minister of Justice the Honourable Allan Rock mandated the Commissioner for Federal Judicial Affairs to work with the two Courts to achieve immediate administrative efficiencies. The potential consolidation of Corporate Services of the Tax Court of Canada and the Federal Court of Canada could also bring about major organizational changes to our Corporate Services service line and ultimately to the Court as a whole.

→ **Funding**

The Court's current Appeals Management System (AMS) has become outdated and is not Year 2000 compatible. Without the necessary funding to replace this archaic system, our ability to achieve our ultimate priority of re-engineering our services will be greatly imperilled. Furthermore, it will be difficult to collect sound data on the achievements of our key results commitments.

4. Key Plans and Strategies

a) By Business Line

The Tax Court of Canada has identified the following priorities and strategies which upon completion, will meet the organization's strategic objectives.

→ **Strategic Objective:**

To improve the effectiveness of the Court's Appeals Process

→ **Priorities and Strategies:**

1. Appeals Processing Re-engineering

In 1995, as a result of constant budget reductions and an automated appeals management system which is both outdated and costly to maintain, the Court conducted a strategic study on the efficiency of its information management. The findings of that study confirmed that operations had to be improved if the Court were to meet its commitment of providing the public with an accessible and efficient appeals process. As a first step towards achieving this goal, the Court, under the Registrar's executive leadership, undertook an extensive examination of the way it does business, in order to identify opportunities for improvement, reduce costs, streamline its operations and enhance services to the public. The Court is now entering into the second phase of this major exercise with the implementation of its Information Management Plan (IMP) which was developed as a result of the Strategic Information Management Study (SIMS). This plan will serve as a blueprint and road map for the management of our information and the implementation of improvement initiatives up to the year 2000.

2. Greater Use of Technology and Information Management

Increasingly, technology is a critical factor in the Court's mission success. Central to the implementation of our Information Management Plan is the necessity to invest in the technology needed to support the Court's Appeals Process. Our current Appeals Management System has become outdated and is not Year 2000 compatible. The Court urgently needs reliable and accurate information in order to make its operations more efficient and to assess the impact of any future changes in legislation or the Court's Rules of Procedure. Requirements have been identified for the acquisition of a new Integrated Appeals Processing System (IAPS) which will make our appeals process more affordable, more productive and responsive to the clients' needs. This new IAPS is the cornerstone of the Court's efforts to improve performance by better use of technology across the organization.

The Tax Court of Canada is currently assessing different cost effective solutions for the development of our new Integrated Appeals Processing System. The new system will be released in two phases over the next two years. The first release is planned for the Fall 1998.

3. Strengthened Accountability

The Tax Court of Canada is committed to improving its efficiency and effectiveness by achieving greater accountability. The following two strategies will assist us in reaching this goal:

- **Performance Management Framework**

As a follow-up to its commitment in its Fall Performance Report to provide more extensive performance information in its future annual reporting, and to foster within the Court a culture based on performance measurement, the Tax Court of Canada has recently undertaken the development of a Performance Management Framework during a session with Senior Management. As part of this initiative, major performance areas and related performance indicators were identified. This Performance Management Framework will be implemented over a period of two to three years. The indicators and related measurement strategies will be refined as we implement our new Integrated Appeals Processing System and gain more experience in monitoring and reporting on our performance. However, as part of its objective to improve its accountable process, the Court will start collecting data on the achievement of those performance areas in the beginning of fiscal year 1998-99. The data will assist management to systematically identify organisational weaknesses and vulnerabilities and specify corrective actions. The data gathered will also provide, in future Performance Reports, indicators to the degree to which the Court is meeting its key result commitments to Canadians.

- **Auditor General's Report**

On April 22, 1997, the Auditor General's Report on the potential merger of the Trial Division of the Federal Court of Canada and the Tax Court of Canada was tabled in the House of Commons.

The Court will establish in the near future a working group comprising of Senior Managers to closely scrutinize the Auditor General's recommendations pertaining to the Court. We will develop and implement a plan of action to bring about the necessary improvements to strengthen the Court's overall accountability and performance.

Key Results

- More timely and expeditious case processing
- Improved work procedures and processes
- Increased use of enabling technologies in support of program delivery
- Improved information sharing and coordination amongst operational elements
- More accurate and timely management information that improves decision-making
- More strategic management of the Court's operations through the establishment of an effective performance measurement system integrated with planning and reporting systems
- More timely, useful and reliable budget, accounting and performance data to support sound decision-making
- Increased accountability for public resources
- Increased public trust in the judicial system

b) By Service Lines

The Tax Court of Canada links its strategic objectives to its clients through its service lines. Consequently, the strategies described below encompasses the initiatives which will be undertaken by the two Service Lines to meet our strategic priorities.

1. Service Line: Appeals Management

→ **Strategic Objectives:**

To improve public access to the Court and services

The Tax Court of Canada recognizes the tremendous role which technology plays in increasing access to justice, resulting in speedier recourse to the Courts and consequently savings to clients and the Court as a whole.

The Tax Court of Canada will be rigorously seeking innovative means of increasing access to the Court's documentation by means of the following initiatives:

→ **Strategies:**

A. Publication of the Tax Court of Canada Judgments

As part of its mandate and a view to improve both its image and the quality of its services to the public, the Court intends to publish raw judgments of the Tax Court of Canada on its Internet site. This initiative will provide access to the Court's mandate, procedures and judgments in both official languages to a wide audience of professionals and the general public.

B. Electronic Filing

The Court has set a goal to implement Electronic Filing of Court documents within the next three years. Electronic filing will permit the flow of information between the Court and its clients in an electronic format at significant cost savings. Electronic filing would reduce costs for appellants, accelerate document interchange between parties and make information readily available to all Canadians. The Court's ability to respond to requests for information will be greatly enhanced at reduced costs. This will offer new possibilities for further streamlining and improve our appeals process and the Court's internal work processes.

Key Results

- Increased public access to the Court's decision and legal documentation
- Improved quality and accessibility of information to user at a lesser cost
- Increased effectiveness of the Court's use of technology
- Increased cost effectiveness of information management

→ **Strategic Objective:**

To improve client service delivery

→ **Strategies:**

In its effort to improve service delivery and product development, the Court will conduct in the next year a survey to its clients' group. The survey will assess the Court's performance in areas pertaining to accessibility, clarity of information, affordability, timeliness, quality of services, etc.. Results from the survey will be used as benchmarks for the development of service standards and clients' services improvement initiatives.

Key Results

- Greater participation of clients in the Court's improvement initiatives
- Better and faster service to the public
- Clients satisfaction

2. Service Line: Corporate Services

→ **Strategic Objective:**

To achieve administrative efficiencies

→ **Strategies:**

During the next months, this service line will be influenced by the need to continue to support the Registry and Appeals Management in a timely and efficient manner while at the same time seeking administrative efficiencies by maximizing the use of available resources. To achieve this, Corporate Services will continue to:

- Seek every opportunity for using the private sector to deliver services where costs can be reduced and quality maintained in both core and non-core functions (printing, mail services, library services, etc.). The Court is currently using the private sector for the provision of its translation and classification services.
- Participate in the government's effort to reduce expenditures by providing high quality common services to smaller agencies.
- Seek out and cultivate partnerships with other organizations for procurement of locally shared services.

Key Results

- effective, efficient service delivery through the negotiation of contracts with private sector
- provide quality common services to other agencies at reduced costs
- reduce cost of operating government administrative services
- client satisfaction
- more effective utilisation of resources

Section IV: Supplementary Information

Supplementary Information is provided in the chart below as follows:

SUPPLEMENTARY INFORMATION	
Table 1:	Spending Authorities
Personnel Information	
Table 2:	Organizational Structure and Display of Planned Spending by Program and Business Line for 1998-99
Table 2.1:	Planned Full Time Equivalents (FTEs) by Program and Business Line
Table 2.2:	Details of FTE Requirements
Additional Financial Information	
Table 3:	Departmental Summary of Standard Objects of Expenditure
Table 4:	Program Resources by Program and Business Line for the Estimates Year
Table 5:	Details of Revenue by Program
Table 6:	Net Cost of Program for 1998-99
Other Information	
Table 7:	Legislation Administered by the Tax Court of Canada
Table 8:	Contacts for Further Information

Tax Court of Canada

Table 1: Spending Authorities - Ministry Summary Part II of the Estimates

Vote	(thousands of dollars)	1998-99 Main Estimates	1997-98 Main Estimates
<i>Tax Court of Canada</i>			
50	Operating Expenditures	9,304	10,031
(S)	Contributions to Employee Benefit Plans	1,054	885
<i>Total Department</i>		10,358	10,916

Table 2: Organizational Structure and Display of Planned Spending by Program and Business Line for 1998-99

(thousands of dollars)	
<i>Program/ Business Line</i>	
<i>Tax Court of Canada</i>	
Registry of the Tax Court of Canada	<u>10,358</u>
Total Planned Spending	10,358

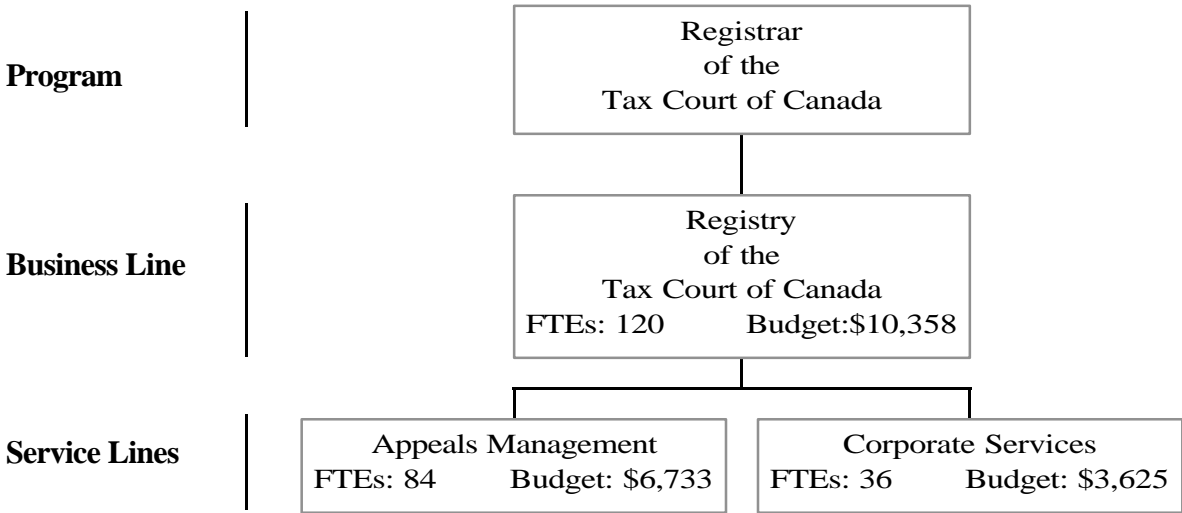


Table 2.1: Planned Full Time Equivalents (FTEs) by Program and Business Line

	Forecast 1997-98	Planned 1998-99	Planned 1999-00	Planned 2000-01
<i>Tax Court of Canada</i>				
Registry of the Tax Court of Canada	126	120	120	120
Departmental Total	126	120	120	120

Table 2.2: Details of FTE Requirements

(thousands of dollars)	Forecast 1997-98	Planned 1998-99	Planned 1999-00	Planned 2000-01
Salary Ranges				
< 30,000	31	27	24	22
30,000 - 40,000	36	35	37	39
40,000 - 50,000	37	37	37	37
50,000 - 60,000	10	9	9	9
60,000 - 70,000	9	9	8	8
70,000 - 80,000	1	1	3	3
> 80,000	2	2	2	2
Total	126	120	120	120

Table 3: Departmental Summary of Standard Objects of Expenditure

(thousands of dollars)	Forecast Spending 1997-98*	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Personnel				
Salaries and wages	5,207	5,020	5,040	5,040
Contributions to employee benefit plans	885	1,054	1,058	1,058
	6,092	6,074	6,098	6,098
Goods and Services				
Transportation and communications	510	490	500	525
Information	45	50	50	55
Professional and special services	3,641	2,902	2,828	2,738
Rentals	117	130	135	145
Purchased repair and maintenance	145	160	165	175
Utilities, materials and supplies	370	375	390	415
Other subsidies and payments	-	-	-	-
Postal subsidy	-	-	-	-
Minor capital	180	177	177	177
	5,008	4,284	4,245	4,230
Total Operating	11,100	10,358	10,343	10,328
Gross Budgetary Expenditures	11,100	10,358	10,343	10,328
Net Budgetary Expenditures	11,100	10,358	10,343	10,328

*Reflects best forecast of total planned spending to the end of the fiscal year.

Table 4: Program Resources by Program and Business Line for the Estimates Year

(thousands of dollars)	Budgetary						Non- budgetary Loans Investments and Advances	Gross Planned Spending	Less: Revenue Credited to the Vote	Net Planned Spending
	FTE	Operating	Capital	Grants and Contri- butions	Gross Voted	Statutory Items*				
<i>Tax Court of Canada</i>										
Registry of the Tax Court of Canada	120	10,358			10,358			10,358		10,358
Total	120	10,358	0	0	10,358	0	0	10,358	0	10,358

* Does not include non-budgetary items or contributions to employee benefit plans that are allocated to operating expenditures

Table 5: Details of Revenue by Program

Revenue Credited to the Consolidated Revenue Fund (thousands of dollars)	Forecast Revenue 1997-98	Planned Revenue 1998-99	Planned Revenue 1999-00	Planned Revenue 2000-01
Registry of the Tax Court of Canada	445	445	445	445
Total Revenue	445	445	445	445

Table 6: Net Cost of Program for 1998-99

Registry of the Tax Court of Canada	
(thousands of dollars)	
Gross Planned Spending	10,358
Plus:	
<i>Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	2,955
Contributions covering employees' share of insurance premiums and costs paid by TBS	333
Cheque issue and other accounting services and the pay processing function provided by PWGSC	14
	3,302
Total Cost of Program	13,660
Less:	
Revenue Credited to the CRF	445
Net Cost of Program	13,215
1997-98 Estimated Net Program Cost	13,792

Table 7: 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:	
Canada Pension Plan	R.S.C. 1985, c. C-8, as amended
<i>Cultural Property Export and Import Act</i>	R.S.C. 1985, c. C-8, as amended
<i>Employment Insurance Act (Part III)</i>	R.S.C. 1985, c. C-8, as amended
<i>Excise Tax Act (Part IX)</i>	R.S.C. 1985, c. E-15, as amended
<i>Income Tax Act</i>	R.S.C. 1985, c. 1 (5th Supp.), as amended
<i>Merchant Navy and Civilian War-related Benefits Act</i>	R.S.C. 1985, c. C-31, 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>Veterans Review and Appeal Board Act</i>	S.C. 1995, c. 18, as amended
<i>War Veterans Allowance Act</i>	R.S.C. 1985, c. W-3, as amended

Table 8: Contacts for Further Information

For further information related to the strategic planning portion of this document you may contact:
<p>Mrs. Diane Potvin Director of Strategic Planning and Communications Tax Court of Canada 200 Kent Street, 4th Floor Ottawa, Ontario K1A 0M1</p>
For further information related to the financial portion of this document you may contact:
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