

# **Innovation in Revenue Canada: Preparing for the Future**

**Pierre Gravelle**

**former Deputy Minister of Revenue Canada**

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In the case of Department of Revenue administration requires a focus on:

- use of emerging technologies;
- developing employees;
- building new strategic alliances; and
- managing information holdings.

***Examples of Successful Innovations in Revenue Canada include:***

1. *The electronic filing of income tax returns ([E-FILE](#))* which substantially reduced costs relating to data entry and error correction; reduced paper burden and associated costs; and has provided notices of assessment and refunds in record time. In the 1995 tax year, more than 4 million (almost 20% of individual Canadian income tax returns) were filed electronically.
2. *The Business Number is a unique client identifier.* It replaces the different numbers that businesses have for the four Revenue Canada business accounts. Business numbers were key to helping businesses reduce costs, save time and be more competitive. It allows the department to improve services in areas of client assistance, collections, audit and revenue accounting.
3. *Through International Project Return* where Revenue Canada collaborates with domestic and international law enforcement agencies to help detect and return missing children at Customs border points. Since 1986, International Project Return has been instrumental in detecting more than 400 missing children, of which approximately 31% were runaways, and 69% abducted children.
4. *CANPASS* is a key initiative to streamline border clearance process for frequent, low risk travellers between Canada and the US. This initiative has substantially improved service to frequent cross-border travellers by reducing time and administrative requirements, and saved on costs.
5. *A new business relationship* between Revenue Canada and its business clientele has significantly reduced the costs and complexities of importing commercial goods, and has supported the competitiveness of Canadian companies by customizing and streamlining systems to suit the needs of particular industry sectors.

## **Lessons Learned**

Mr. Gravelle suggested three major strategies to increase the chances for a successful, sustainable transformation:

1. re-engineering programs and systems;
2. strategically using information technology; and
3. managing organizational and cultural change wisely.

### ***Key "lessons learned":***

- No standard template for managing innovation and change.
- Innovative service focus requires continuous reaffirmation and reinforcement.
- Basic paradigm shifts can only be achieved through incremental steps.
- Managing long-term change and the "corporate culture", is a protracted endeavour, lasting longer than the much quoted seven-year span.
- Executive and management teams within all parts of the organization must be fully engaged and committed to innovative solutions and practices.
- Effectively introduce and sustain an innovative service ethos.

### **About the Author**

***Mr. Pierre Gravelle*** (former Deputy Minister of Revenue Canada) spoke at the June 1996 APEX Symposium on "Making a Success of Innovation". He provided [\*examples\*](#) from his department, and discussed [\*lessons learned\*](#).