



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Public Accounts

PACP • NUMBER 082 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, November 30, 2017

—
Chair

The Honourable Kevin Sorenson

Standing Committee on Public Accounts

Thursday, November 30, 2017

● (0845)

[English]

The Chair (Hon. Kevin Sorenson (Battle River—Crowfoot, CPC)): Good morning, everyone, and welcome. This is meeting number 82 of the Standing Committee on Public Accounts, Thursday, November 30, 2017.

I remind everyone today that we are televised again.

We also will try to leave time this morning for committee business. There may be 15 minutes or 20 minutes where we want to discuss one matter of business, and that will be at the end of the scheduled time today.

Today, we are studying “Report 2—Call Centres—Canada Revenue Agency”, of the 2017 Fall Reports of the Auditor General of Canada. As our witnesses, from the Office of the Auditor General, we have Michael Ferguson, Canada's Auditor General. We also have Martin Dompierre, principal, attending with him. From the Canada Revenue Agency, we have Bob Hamilton, commissioner of revenue and chief executive officer; Frank Vermaeten, assistant commissioner, assessment, benefit, and service branch; and Gillian Pranke, director general, call centre services directorate, assessment, benefit, and service branch. I thank you all for coming.

I understand that we have opening statements from our witnesses, and I would invite our Auditor General to begin.

Mr. Michael Ferguson (Auditor General of Canada, Office of the Auditor General): Thank you.

[Translation]

Mr. Chair, thank you for this opportunity to discuss our fall 2017 report on Canada Revenue Agency's call centres. Joining me at the table is Martin Dompierre, the principal who was responsible for the audit.

Every year, taxpayers have questions about their taxes. The agency's telephone call centres are an important way for members of the public to obtain tax information, especially for those who do not have Internet access, those who are uncomfortable using computers, and those who cannot find answers on the agency's website.

Our audit looked at whether the Canada Revenue Agency's call centres provided Canadians with timely access to accurate information. We focused on calls received on three of the call centre's telephone lines—one for individuals, one for businesses, and one about benefit payments. We also examined the agency's methods of assessing and reporting on its call centres' performance.

Overall, we found that the agency did not provide timely access to accurate information.

[English]

We found that the agency blocked 29 million calls, which was more than half the calls it received. The agency monitored how long callers waited to speak with an agent. When the average wait time approached two minutes, the agency either blocked calls, usually by giving them a busy signal, or directed them to the automated self-service system.

The agency told us that callers would prefer a busy signal or an automated message to waiting more than two minutes to speak with an agent. However, the agency had not surveyed callers to verify this assumption. As a result, callers had to make an average of three or four call attempts in a week, and even after several attempts, some callers still didn't reach an agent.

Through our tests, we found that the rate of agent errors was significantly higher than what the agency estimated. Call centre agents gave us inaccurate information almost 30% of the time. This is similar to the test results of other assessors and significantly higher than the error rate estimated by the Canada Revenue Agency.

We found that the agency's quality control system didn't test the accuracy of agents' responses effectively or independently, so the results of its tests were unreliable. For example, in most cases, agents knew that their calls were being monitored, which may have encouraged them to change their behaviours to improve their performance.

Finally, the agency reported that about 90% of callers were able to reach either the self-service system or call centre agent. However, we found that percentage didn't account for the calls it blocked, which were more than half its total call volume.

● (0850)

[Translation]

Only 36% of all calls made to the agency's call centres reached either an agent or a self-serve system and lasted a minute or more. Furthermore, by blocking calls or redirecting them to the self-service function, the agency was able to report that it achieved its two-minute service standard for agent wait times.

We are pleased to report that the Canada Revenue Agency has agreed with all of our recommendations and has committed to taking corrective action.

[English]

Mr. Chair, this concludes my opening statement. We would be pleased to answer any questions the committee may have.

Thank you.

The Chair: Thank you very much, Mr. Ferguson.

We'll now move to Mr. Hamilton, please.

Mr. Bob Hamilton (Commissioner of Revenue and Chief Executive Officer, Canada Revenue Agency): Thank you, Mr. Chair, for the opportunity to appear before the committee today.

As you mentioned, I am accompanied by Frank Vermaeten and Gillian Pranke from the agency, who have responsibilities in overseeing the CRA's call centres.

In my first year as commissioner, I can attest to the commitment of CRA's employees to improve services to Canadians, combat tax evasion and aggressive tax avoidance, and provide a fair and equitable administration of Canada's tax and benefits system.

[Translation]

I am here today to speak to you about the Auditor General's Fall 2017 Report concerning the CRA's call centres.

Mr. Chair, the Auditor General recommended that the CRA take action in three areas to address service delivery standards offered by its call centres: improving accessibility; strengthening the quality and accuracy of its responses; and enhancing program measurements and reports.

[English]

The agency agrees with the recommendations. We need to do better.

Service to Canadians is at the heart of the agency's mission, and it is a fundamental component of the minister's mandate, as articulated by the Prime Minister.

As requested, Mr. Chair, a copy of our action plan was provided to the committee members in advance for their review and consideration. The action plan identifies how the CRA will implement the Auditor General's recommendations and outlines its approach to support staff development, introduce new technology, and improve its operating systems and processes.

Let me assure you, Mr. Chair, that the staff who work at our call centres across the country, together with their colleagues responsible for information technology and reporting, are committed to implementing this plan. They have demonstrated integrity and innovation in their work to find solutions to improve the services they offer to Canadians, and I'm proud of the work that our employees carry out every day.

An important element of the action plan is to provide additional training and improved tools to these call centre agents to ensure they have the information and tools they need to deliver the services upon which Canadians rely. These improvements will include the introduction of tools to better assess agent readiness and proficiency.

The agency is also in the process of adopting a new and more modern call centre technology platform that will allow us to improve the services we provide to Canadians.

The action plan also identifies how the agency will update its service standards and reporting for call centres. We are committed to being more transparent with Canadians to ensure they know the level of service they can expect from the CRA and how we are performing against those expectations.

• (0855)

[Translation]

In advance of introducing this new technology, the agency has already taken a number of steps to improve and modernize its call centre service during the past year.

[English]

We have hired more call centre agents and we have improved our existing systems and processes to enhance Canadians' access to our call centres.

We have extended wait times from two to five minutes to reduce the chance of getting a busy signal, in line with one of the Auditor General's recommendations.

We have expanded the options available to callers through our interactive voice response system, which provides callers with self-serve options if they cannot access an agent immediately. Through these self-serve options, we have reduced the demand on our call centre agents so they can dedicate the time required to assist callers with more complex questions.

[Translation]

As a result of these changes, Canadians have higher success rates when they attempt to access the call centre telephone lines.

[English]

Since receiving budget 2016 funding, we have reduced by 50% the chance that a caller will get a busy signal when calling the income tax enquiries line. On average, Canadians will call the CRA approximately twice to speak with an agent, as opposed to four times as at the time of the Auditor General's report. We are now responding to approximately 50% of the calls.

While we know that there is still room for improvement—and we will improve—this represents some progress, which has been met with increased client satisfaction, as indicated by our caller surveys. As we develop increasingly sophisticated methods to provide better services, Canadians can count on the CRA to deliver its programs in a fair and trusted manner.

Last year, the Auditor General reported on the agency's appeals process and noted areas for improvement. We created an action plan to address these issues.

I came before this committee to discuss that plan. I'm pleased to report that we are following through on these commitments and have made progress. Rest assured, Mr. Chair, that CRA will implement the action plan on call centres with the same commitment and determination.

I welcome any questions the committee may have about our responses to the Auditor General's recommendations or about our action plan. Thank you.

The Chair: Thank you very much to all who have given their opening remarks.

I just want to say that every member of Parliament's office receives calls from people who are obviously frustrated with CRA. Many times it's seniors who don't understand the wait times and perhaps don't understand why information hasn't been given or why false information has been given. It's good that you're here and that you've recognized some of this. There hasn't so much been an apology today, but you have recognized where we've been deficient and where we need to do better.

We're going to go into the first round of questioning, and we'll go to Monsieur Lefebvre for seven minutes.

Mr. Paul Lefebvre (Sudbury, Lib.): Thank you, Mr. Chair.

On your comments, most of the calls in our offices—I'd say almost 50%—are with respect to people having a hard time reaching CRA. When this report came out, unfortunately, I don't think any of the MPs were surprised by the challenges of reaching CRA. What has come to light, though, is why that was the case and where we are now.

The one major challenge I have is with the idea that responding to or answering only 30% of the calls is an acceptable practice. When did that happen? I practised tax law. We could actually get through to a desk at a CRA office. We could go see somebody there and actually talk to somebody there. We could actually make phone calls and get quick responses. That was almost 15 to 20 years ago, and now it's as if there's a wall. There's a wall like, "You can't talk to us." I'm asking when that culture started to happen. It's extremely concerning now. Having an acceptable level of 30% is basically the norm for us.

Mr. Bob Hamilton: To respond to that, I'll just back up a little bit, because I think it's important to understand how this transpires. We would like more people to get through. I don't deny that.

However, we have a technology that doesn't allow us to do a number of things, including giving people predicted wait times. We have adopted a service standard that says that if you get through our lines, we will connect you with an agent within two minutes, 80% of the time. When we have excess demand in the system, in order to meet that commitment, we then have to give some people busy signals. That is a trade-off we make when we're designing the system. Other countries may take a different approach and say that you'll just sit on the line as long as it takes, and if it takes half an hour, so be it.

A decision was made in the early 2000s that we would adopt this service standard. In order to fulfill that, we need to control how many people get in, and that results in busy signals. It's not that it's an acceptable practice to deny those people. That is just the way we run the system. And we do look forward to the new technology coming in that will allow us some more flexibility to operate a call centre more as our colleagues do.

• (0900)

Mr. Paul Lefebvre: Thank you.

I'd like to talk about the new technology. How old is the technology being used right now?

Mr. Bob Hamilton: I believe it's 20 years old, but I may be wrong on that. Frank can correct me, but it's definitely old and outdated.

Mr. Paul Lefebvre: I would agree. If it's 20 years old and we're talking about a telephone system here, it's pretty old.

What will this new system do to ensure that the response rate goes from.... I know you're now aiming to go from having people wait two minutes to having people wait five minutes. Is that one of the goals you're looking at?

Mr. Bob Hamilton: We had this two-minute standard, and as I said, you can choose between how many people you let in and how long people wait. We experimented earlier this year with letting more people through but then the people who were there had to wait a bit longer. We tried it out and we thought it actually worked reasonably well. We got some positive responses, so we're continuing with that. We'll have a little bit longer lead time but that would allow more people to get in. As a result, we're seeing fewer busy signals than before. That's not to say that it's perfect, but we tried that out.

We will continue with that. We're trying to take action now in advance of the new technology, which we will have next year. However, we can't just wait until next year and not try to make progress. We are trying to make progress at the moment, and then when the new technology arrives, we won't have to do so much manual routing of where the calls go. We'll have much more flexibility in the system to help us manage the calls and tell people their wait time will be x minutes and that they can choose to wait or to call back.

Mr. Paul Lefebvre: Thank you.

How are you measuring that right now? Obviously, you're saying it's improved and that things are getting better. What are you doing to measure all of this? Who is measuring it and how?

Mr. Bob Hamilton: We have a post-call survey that we're implementing to ask certain people at times, "How was it?", "What do you think?", and "How did you enjoy the experience?", if I can put it that way. We're getting reasonably good feedback on the longer wait time. People don't like longer wait times, but they're happy to be able to get through more quickly.

Mr. Paul Lefebvre: Will the new technology allow you to get better data? That data of human experience is.... I'm not sure that it is always how you actually interpret the data you're getting. Will this new technology allow you to better track the way that you're responding to people who are asking questions?

Mr. Bob Hamilton: Yes. It will allow us to better track what's happening and also, more importantly, better control how we route the calls. Will we be able to get them to free agents more efficiently? Will we be able to direct them to people with the right skill set? We have different tiers of people who answer calls—some can answer simple calls, and some can do more sophisticated calls—so we'll be able to route them better. Frankly, the new technology will allow us to record calls and will allow us to do better monitoring of how the call went.

That comes to another issue that the Auditor General has raised, which is accuracy. How will we be able to identify when an accurate response was given or when we needed to correct something? We can better train our employees to respond more accurately to the calls.

● (0905)

Mr. Paul Lefebvre: You're transferring to new technology. At this committee, we've seen major challenges, on many occasions, with respect to any government agency changing to new technology. I know you have nine call centres. Are you doing it all in one shot? Are you changing all the technology at once or are you going to be testing it out centre by centre before you roll it out?

Mr. Bob Hamilton: We will definitely be doing extreme testing before we implement this, and it will be phased in at different places. The business inquiries, for example, will come out ahead of the individual inquiries.

However, in terms of the technology, while it will be a big step forward for us, it is not a new cutting-edge technology. It's a technology that has been used in call centres. We are quite confident that, when we roll it out, it will work, but we are going to be very careful to make sure that we test it properly.

The Chair: Thank you very much.

We'll now move on to Mr. Nuttall, please, on the opposition side, for seven minutes.

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Thank you, Mr. Sorenson.

Thank you to the Auditor General, his team, and members of CRA for joining us this morning. Before I ask some questions of CRA, perhaps, I'd like to ask the Auditor General's office, if they had this information before today. When we're talking about accuracy and the questions that were asked, if you were to take out the "I don't know" or referral to a senior agent, do we know what that percentage was on each question at this point?

Mr. Martin Dompierre (Principal, Office of the Auditor General): Yes. The numbers of referrals, we were told during the survey, was 21 and then the accuracy rate would be 36%. In that case, you would exclude these 21 referrals to the tier-two level during the call.

The Chair: Was that 36%?

Mr. Martin Dompierre: If you redo the calculation, the accuracy rate would be 36%.

The Chair: Go ahead, Mr. Nuttall.

Mr. Alexander Nuttall: Mr. Hamilton, you started going into the accuracy side. Just to preface this, no matter how bad audit results are, there is always going to be somewhat of an awkward feeling when this is done publicly and not privately, but this is brutal. This report is atrocious.

I can tell you that in any of my jobs, with any of my staff, if 84% of the time there was an incorrect response—let's just pretend that the 84% included "I don't know," even though it's the other way around—we wouldn't be around for long. I can tell you that the people of Barrie—Springwater—Oro-Medonte would make sure I'm not around in two years if 84% of the time, on any single question, we couldn't get it right.

I know that's the outlier, the extremity of the audit results, but none of them, quite frankly, instill confidence in what CRA does. Based on these audit results, I'm wondering what your results are today on this question. Do you take the questions that are asked by the Auditor General and then try to measure, going forward, based on the exact same question, so that you can have an apples-to-apples measuring process?

The Chair: Mr. Ferguson.

Mr. Michael Ferguson: Just before that question gets answered, Mr. Dompierre wants to clarify the number again.

Mr. Martin Dompierre: I made a sort of mistake. In the report, in exhibit 2.4, we say that the overall inaccuracy was 29%. If you exclude the 21 cases where they were referred and we said, "Thank you,"—that was considered to be a right answer—then your inaccuracy rate would be 36%.

● (0910)

The Chair: That's inaccuracy.

Mr. Martin Dompierre: I'm sorry. I had said accuracy, but it would be the inaccuracy rate at 36% instead of 29%.

Mr. Alexander Nuttall: Okay, thank you.

Mr. Bob Hamilton: Mr. Chair, just to respond to that, obviously, we look at the accuracy of results, and we know that we need to do a better job of training our agents to respond to the questions, and a better job of making sure that we are getting the questions to the people who have the right skill set to respond.

I would say that, in the first instance, one of the most important things will be the new technology that we will be adopting next year, which will allow us a more sophisticated way to monitor what's happening on the calls. Right now, we do side-by-side listening. This is in the Auditor General's report. We have various ways within this technology to try to check on the calls, but they're not perfect. The Auditor General referenced that when we're sitting side by side with someone, that could influence how they react on the call.

In the new system, we will have an ability to record and monitor more independently. I think that's going to give us a better sense of where there may be problem areas and where we need to correct them, but we're not waiting for the technology. We're taking some action now. We have looked at our training system. We have tried to improve.

We give all of our agents six weeks of training before they start. They all get refresher courses each year to reflect any new changes that have happened. We're looking at that, trying to make sure that we're giving them the best tools and the best training that we can at the moment, giving them reference tools that are easier for them to access—

Mr. Alexander Nuttall: Mr. Hamilton, I have only so much time, and—

Mr. Bob Hamilton: Those are changes we're making right now, in advance of the technology.

Mr. Alexander Nuttall: Thank you.

“When will my interest start being charged?” is a very simple question that every single CRA agent needs to be able to answer. The fact that about one in 10, or two in 10 basically just gave the wrong answer... Within the 80% who didn't give the wrong answer, 20% may have said, “I don't know.”

These are very simple questions. I don't understand how we get here. I also don't understand how it is that we wait for these types of situations to occur, these audits to come in, before the technology transition comes into place. Why does it take the most negative results from your department in order for us to start looking at these types of changes? Whether it's on the training side, the measurement side, or the actual process side, I don't understand why it takes so long and why it takes such drastic circumstances to get here. You said you have been in for only a year, so maybe this isn't just your position, but you represent the department on everything to do with this audit at this point.

There has to be a change going forward to ensure that the department is going to be proactive in ensuring that the measurement of these results is accurate, and that it is completing and working on the same work that the Auditor General has done, so that when we come back in a year, we can take a snapshot and say, “That 84% is now 24%,” which is still high, but it's going in the right direction. Will you be able to do that for us in a year from now?

The Chair: Be very quick, please.

Mr. Bob Hamilton: I should just say, first off, that we don't sit around and wait for an Auditor General's report to try to monitor what's happening, how it's going, or what's going on out there with access or quality. We have tests to see how the agents are doing. As I have said, they may not be as effective as they need to be and will be

under the new technology. We noticed in 2015 that we had quite a restricted access to the phone lines. We put more money in—\$50 million over four years—to hire more agents to improve accessibility.

With the technology we have, we are constantly trying to improve. I can assure you that going forward we will be transparent about what's happening, certainly on the accessibility side. On the accuracy side, we will be doing our work for sure, to ensure our agents are giving as accurate responses as possible.

The Chair: Thank you very much, Mr. Hamilton.

We'll now move to Mr. Christopherson, please.

Mr. Christopherson, you have seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Chair, and thank you all for attending today.

Mr. Hamilton, are you familiar with the Taxpayer Bill of Rights?

● (0915)

Mr. Bob Hamilton: I am.

Mr. David Christopherson: Is it important?

Mr. Bob Hamilton: It's very important.

Mr. David Christopherson: It's very important.

Number 6 states, “You have the right to complete, accurate, clear, and timely information.” Did you meet that right?

Mr. Bob Hamilton: We certainly strive to meet that.

Mr. David Christopherson: You failed. I'd like to hear you say that, rather than having you tell me you tried. Let's just be clear here, sir. With regard to the focus of the audit, paragraph 2.4 of the Auditor General's report states, “This audit focused on whether the Canada Revenue Agency's call centres provided Canadian taxpayers with timely access to accurate information.” I remind you that this is number 6 in the bill of rights.

The conclusion, at page 17, states, “We concluded that the Canada Revenue Agency's call centres did not provide taxpayers with timely access to call centre agents.”

Why do you tell me you're striving? You failed. I'd like to hear you say that.

Mr. Bob Hamilton: Well, we agree with the Auditor General's recommendations that we need to improve, and we will. My focus right now is on putting together a good action plan that will dictate how we can improve access to the phones, the quality of information we provide, and our reporting to the public. That's my commitment today. There will probably constantly be room for improvement, but we are undertaking a very serious exercise to make sure we can improve, part of which is investing in new technology.

Mr. David Christopherson: I have to tell you, that sounds more like a sales job than an answer. This is not going well. I don't know who told you this was the approach to take, but with an audit like this, the first thing you ought to be doing, sir, is acknowledging the abysmal results of the department you're responsible for.

I want to go back to the Auditor General's opening comments when he presented the overall report. This is one of the chapters. The Auditor General said just last week that he was hoping to talk about something other than results for citizens. He said he keeps delivering the same message that the government does not understand its results from the citizens' perspective.

Then we go to page 16 of the Auditor General's report, the middle of paragraph 2.78, which states, "If the Agency had reported on access to its call centre...from a taxpayer's perspective...." I want to hear what part of "taxpayer's perspective" you're not getting. All you're doing is telling me all the measurements you're doing within and how everything is going to be fine, and the starting point is the Auditor General saying that this government overall is not getting the message that services start with the citizen. This report clearly says that your department, your agency, didn't do that.

Talk to me about the Auditor General's comments that the government is failing in this regard and the fact that he used those actual words, "from a taxpayer's perspective", in this terrible audit of your agency.

The Chair: Mr. Hamilton.

Mr. Bob Hamilton: Mr. Chair, certainly we believe that we have to look at things from the citizen's perspective. Let me use two examples.

Last year, I talked about our appeals function, and one of the criticisms was that we weren't reporting on the time it took, from the citizen's perspective. We were counting it from the appeals branch's perspective. We took that criticism, we changed, and we now report on the time from when something comes in until it goes out. We will be changing in this regard, and we will be looking to be very transparent in reporting on all aspects.

Not only will we try to get the people who come through the queue answered in a reasonable time, whether it's two minutes or five minutes, but we will also be transparent about the number of busy signals and unanswered calls. Indeed, in the departmental results report this year, we did report on that more transparently, so we are improving and we will continue to improve and we will be taking the approach that our actions and our reporting are being viewed by the client and the customer, from the taxpayer's perspective.

Mr. David Christopherson: That's a good start.

On that departmental report, the fact that you had what amounts to misleading information to citizens is a huge problem. I'm going to come back to that in a second.

I want to focus for a moment on this national quality and accuracy learning program. The Auditor General said on page 8, paragraph 2.39:

Our test results found that agents gave wrong information to callers almost 30 percent of the time. We also found that other assessors had encountered similar error rates over the past five years.

When we go over to the chart that's provided, exhibit 2.4 on page 9, it shows that your agency, and this national quality and accuracy learning program were admitting to a 6% error rate and the Auditor General is saying it's closer to 30%.

In your action plan, I didn't see a major overhaul of this testing agency. There is lots of analysis here, but what gives? What's with this agency that's supposed to provide accurate information and nobody can rely on the work they're doing? What are you going to do about that? I didn't see anything about an overhaul of that agency. This really troubled me when I saw that you had these quality assurance folks go in there and they came back and gave Canadians this assurance, and it was wrong. It took the Auditor General to come back and say the information's not correct. That is not the service they're providing. It's actually this. So what's up with that?

● (0920)

Mr. Bob Hamilton: Let me respond to part of that, and I'll ask my colleague to respond in more detail about the training.

On the quality assurance, I think you will see in our action plan, or what we intended to have in the action plan, were two main thrusts of what we're going to change. First, we're going to overhaul our training, and we're going to provide better training and better tools for our agents. We are starting some of that now, but we will be able to do a better job of that with the new technology. We're going to improve training, give the agents better tools, and with the new technology we will be able to direct questions more appropriately to people with the right skill sets. So that's one area we are going to do.

Second is that with the new technology—and we will have to wait for that—we will be able to do a better job of monitoring the calls and be able to respond with what might be problem areas, to correct them through training and through education of the agents. Those would be the two main thrusts, but I'll ask Frank if he wants to comment on the past experiences.

The Chair: Be very quick, please.

Mr. Frank Vermaeten (Assistant Commissioner, Assessment, Benefits, and Services Branch, Canada Revenue Agency): The fact that we have side-by-side listening rather than call recording is a major issue. It puts us in the situation where we don't have an accurate reading of the error rates all the time, exactly as the Auditor General pointed out. We did an internal audit ourselves and found we had error rates in line with what the Auditor General said. So we've developed an action plan for training, and we have a new training process called, "gating and nesting", which I'm happy to explain if we have enough time for that.

Then the big change will be the technology that allows the call recording, so that in headquarters we will be able to monitor people in the field and determine their accuracy rates. When systematic errors are being done, we'll be able to fix those with new information.

The other part of the technology, which will be very important, is skills-based routing. That means that when a caller calls, they're going to be hooked up with the right agent at the right tier level much more quickly and they will be more likely to get a right answer. I think quite a lot is going to happen to improve our accuracy over the course of the next year. We'll be able to measure our accuracy much better and we're going to be able to respond through better training and through that call recording and skills-based routing.

The Chair: Thank you very much.

We'll now move to Mr. Arya, please.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Mr. Chair.

Let me understand. The Auditor General's report says that the inaccurate response rate is 36%. The number quoted in your report says 6%. Now you're saying that your internal audit found that the inaccuracy response rate is in line with the Auditor General's finding. Is my understanding correct?

Mr. Frank Vermaeten: Our internal audit showed that we had an error rate of 20%, but it is a considerably different—

Mr. Chandra Arya: When did that internal audit report come out?

Mr. Frank Vermaeten: It's actually an internal evaluation that was done probably about a year and a half ago.

• (0925)

Mr. Chandra Arya: Since then, what things have you done to make sure that these numbers are not as big as they were?

Mr. Frank Vermaeten: We've put in place a new training process. It's just being rolled out now. We have it in one centre. It's called our gating and nesting—

Mr. Chandra Arya: I don't understand one thing. The CRA has been around for a very long time. The taxpayers are finding this difficult on a daily basis. We know that. In fact, on CBC there was a report about Marica Peel. She has been fighting the CRA for three and a half years to show that she's a single mom. She said she has spent hours on the phone trying to get answers from the CRA. I don't know whether your agent on the phone told her that an official separation agreement is sufficient. She got it, but then after a month, the CRA told her that it was not going to work.

How is that? What are the options available to taxpayers who have been given an inaccurate response?

Mr. Bob Hamilton: First off, we aren't able to talk about specific taxpayer circumstances. I just want to clarify that.

Mr. Chandra Arya: No, let me be clear. I'm not asking about that particular person. I'm talking about the 36% of the time that the agents have given an inaccurate response, and how, based on the response, a taxpayer has taken some action. Later—maybe one month later, maybe one year later, maybe five years later—the CRA tells them that that was not what they were supposed to do. For example, the agents may tell someone, "You don't need to keep the documents forever; you can destroy them." That person destroys them. After five years, the CRA tells that person, "No, you should have kept the documents." What option does the taxpayer have in this?

Mr. Bob Hamilton: Again, not commenting on a specific case, but in general—

Mr. Chandra Arya: As I very clearly said, I am not going—

Mr. Bob Hamilton: No, I'm going to answer your question.

Mr. Chair, I'm going to answer the question. I just want to make it absolutely clear that I'm not referring to a specific case.

The Chair: That's three times.

Mr. Bob Hamilton: We do have provisions such that, if you get incorrect information from the CRA, we have the ability to waive interest and penalties. Those options are available in a general way, so that can happen. I'm not saying that it happened in this case, but that option is available. We do strive to make sure that we give the proper information.

Mr. Chandra Arya: It goes to "he said, she said", and saying that it's not right. How can the taxpayer prove it? As the CRA, you are a big machine. You have the authority. You have the law behind you, but as usual, the taxpayer doesn't have that kind of strength.

Mr. Bob Hamilton: All I can say is that we do have the ability to do that, and taxpayers can raise those issues with us.

Mr. Chandra Arya: In your response, you say that you're proud of the work that your employees carry out every day. Who are those managers who gave you the internal report stating that 90% of the callers were able to reach you? That is a totally inaccurate report. Are you still proud of those managers who are responsible for that?

Mr. Bob Hamilton: I'm actually very proud of the people who work at the CRA. I spent my first year visiting most if not all of the call centres. I've sat beside some of the people answering the phones, and I've sat in the rooms where they're trying to direct the calls through the system we have.

Mr. Chandra Arya: Most of the employees are good, but what about the managers who managed the wrong system of reporting?

Mr. Bob Hamilton: I want to say that I am actually very proud of the people who work on our systems, and I think they're doing the best job they can with the technology they have. They've actually shown some innovation and a lot of integrity here.

We're going to give them the tools they want. On the reporting side, in the past we have focused our reporting on meeting the "80% within two minutes" objective. We are now broadening that out to, I think, provide a more comprehensive view of what's going on.

As I said earlier—

Mr. Chandra Arya: It was 80% in two minutes?

Mr. Bob Hamilton: I'm sorry?

Mr. Chandra Arya: I'm sorry. You said 80% in two minutes?

Mr. Bob Hamilton: Yes.

Mr. Chandra Arya: Once again, that does include the blocked calls.

Mr. Bob Hamilton: Right. We have focused on the 80% within two minutes. We are now going to provide more comprehensive reporting. In the departmental results report, we started to report on the more complete picture. Yes, there is that. If you get through, it's within two minutes, but we know that there are people who are not getting through. We want to report on that and we want to make progress on all of those fronts.

For example, that's one of the reasons why we experimented with increasing the wait time to see if we could change that, because it is a choice that has to be made in terms of how many people can come through and how quickly they can be served, until we get the new technology, which will allow us to provide wait times to people, and they can choose whether they'd like to wait.

● (0930)

Mr. Chandra Arya: The underlying thing I've been hearing this morning is technology, technology, and technology. The CRA has been around for a very long time. You've had decades to improve the technology. I don't think resources were a constraint. Were they?

Mr. Bob Hamilton: I'm sorry. You don't think the technology was a constraint...?

Mr. Chandra Arya: Were the resources a constraint for you at any time in order to improve the technology and deliver better service to taxpayers?

Mr. Bob Hamilton: In that regard, I think, we always do the best we can with the resources we have. We don't have infinite resources, so we always have to make choices about what we do.

I'm telling you now that we are going to be investing in this technology, but I don't want to give you the sense that it's just technology. That will be a big help to us, but we are taking steps before then. We need to look at our systems. We need to look at our training. All of those things will be ongoing pressures.

The other thing I haven't mentioned, which is interesting to note, is that service is a more comprehensive vehicle than just call centres, and we have to think about the information that we provide in general in the service area. How's our website? Can people go there and get the information they want, to the point where they don't need to call as often?

We're looking at all of the aspects of how we provide information to Canadians, but today we're talking about the call centres. Technology will be a big change for us, but we also, as I said, are looking at our training and our systems and making sure that we're giving our people all the tools they need.

The Chair: Thank you very much.

We'll now move to Mr. Deltell.

[*Translation*]

Mr. Deltell, you have seven minutes.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Welcome, ladies and gentlemen.

Mr. Hamilton, we understand that this is not an easy day for you. Thank you for your testimony.

It is not easy, and the next hour will not be easy either. Are you surprised by the Auditor General's findings?

Mr. Bob Hamilton: I am not very surprised by the results.

We knew there were problems with access. We made the choice to have a wait time of less than two minutes, but that was necessary because clients were getting a busy signal. The result as to the veracity of the answers shows that there is certainly room for improvement, as well as the fact that our report is perhaps not as transparent as it should be.

There are things to be improved, but it is not a big surprise.

Mr. Gérard Deltell: Mr. Hamilton, your service failed to deliver 84% of the time. It failed 84% of the time.

You say you are not surprised, but what did you do not to be surprised? How can it be that you are not surprised that your service did not work 84% of the time?

That is unacceptable, sir.

Mr. Bob Hamilton: I will not comment on that 84%.

Overall, we have to improve the training for agents and make sure that the answers provided to taxpayers are accurate.

Also, we have to continually improve the agency's services.

Mr. Gérard Deltell: Okay, we can all improve in life, we get that.

Yet with an 84% failure rate, you do not need to improve; you need to shake things up or else we have to start over from scratch. Come on, it is not a question of improving. You need a change in course and a kick in the backside to get things working properly.

Mr. Hamilton, if you wanted to hire someone and they got 16% on their test, would you hire them?

Mr. Bob Hamilton: Perhaps I would provide better training.

Mr. Gérard Deltell: Give me a break.

Mr. Bob Hamilton: We are not talking about a question in a survey, but something systematic within the agency. In my opinion, we need to improve the technology and training, find the source of the problem, and correct it.

● (0935)

Mr. Gérard Deltell: Mr. Hamilton, do you realize that what you just said is an insult to the 84% of people who call and do not get the service to which they are entitled and which they pay for?

Mr. Bob Hamilton: That is why we have an action plan to improve the situation.

Mr. Gérard Deltell: Mr. Hamilton, what I find very disappointing is the way you are talking about this as though it were a question of making a few improvements. We are talking about an 84% failure rate. What is needed here is not an improvement: you need to completely review the structure and, above all, the culture.

How have you been able to keep your job with an 84% failure rate?

Mr. Bob Hamilton: Once again, that 84% pertains to a question in a survey.

I said we have to improve the situation. Overall, we have to provide accurate information to Canadians. We will take measures to improve through technology and training, and find out what exactly the problem is. We will be able to receive calls, better understand the source of the problems, and correct them. That is my commitment in this regard.

That is my answer.

Mr. Gérard Deltell: That is your answer but it is unacceptable to Canadians.

What was done was more than a survey: it was demonstrated beyond any reasonable doubt that things are not working. You say that the technology has to be improved. That is not true. The role of technology is to support effectiveness; it is not the source of the problems. In the current culture, you are not worried about this. When you say that it is just a survey question and all that is needed is improvement, it is as though you are burying your head in the sand. I am sorry to have to be so harsh, Mr. Hamilton, but your answers are not acceptable.

Mr. Bob Hamilton: I have fully understood the questions and the problems and have committed to improving the situation through the action plan. It is clear that technology will improve our situation and will allow us to direct the questions to people who can answer fairly complex questions. Further, we now offer better training to these people and provide them with better tools.

I have taken the recommendations very seriously. We will make changes at the agency in order to offer better service to Canadians.
[English]

The Chair: Thank you, Mr. Hamilton.

We'll now move to Mr. Chen.

Mr. Chen, we're in the second round, as you know, and so it's a five-minute round.

Mr. Shaun Chen (Scarborough North, Lib.): Thank you very much.

I want to thank the Auditor General, and I want to thank the witnesses from the CRA who are here before us today.

With all the changes that you are moving forward with at the CRA, have you set a new service standard? You mentioned before that your existing service standard is to have calls addressed within two minutes 80% of the time. Have you set a new service standard?

Mr. Bob Hamilton: Rather than setting a specific new service standard, we're doing two things.

We're trying to increase the transparency of what's going on. I mentioned trying to not only provide a more comprehensive picture of how quickly we're answering when somebody gets through but also provide a picture of how many people are getting through. We're focusing on that transparency. We took the first step in the departmental results report. We hope to improve very soon—as early as next month—our reporting on the website on that. Increased transparency is step one.

We did have an experiment, if you like, to see how changing the wait time, making it a bit longer and letting more people through, would play out in terms of customer satisfaction. So far, it looks as if we're getting some positive results. We'll probably continue to have a little bit of flexibility on the wait time as we go forward.

In terms of a new service standard, once we get the new technology and are able to tell people upfront what their wait times will be, we'll be operating the business in a slightly different way. I think that may give rise to a different kind of service standard. We'll see what that looks like.

At the moment, my focus is more on making sure we're trying to do the best job we can and on being as transparent as we can about telling Canadians what they can expect and what we're delivering. Then I think at the time of the new technology early next year, we'll be revisiting—

• (0940)

Mr. Shaun Chen: I'm going to stop you there, because I have only so much time, Mr. Hamilton. I heard in your answer that essentially there is no set service standard in the way that you have set it before. You talked about new technology. You talked about transparency. To me, this is transparent enough. There's a report here that tells you very clearly what is going wrong. Frankly, I think the most important thing you can do is set a new service standard and then work towards achieving it. Right now the service standard applies only to the calls that get through, and there are many calls that do not even get to an agent. The Auditor General points out very clearly that only one-third of calls reached an agent, based on the information available.

You talked about new technology. From your departmental action plan, I can see you have technology that will route the calls differently and will allow callers to receive more information about their wait times. But quite frankly, I am a bit confused. You said earlier that you're not surprised by the Auditor General's report and that you don't wait around for the Auditor General to issue a report before you do anything. In your action plan, however, you say you're only developing a “new approach to training and evaluating agents” in the first quarter of this fiscal year, whereas you already had this information, and you know what the lack of service has been during the past five years. It's made very clear in the Auditor General's report. In section 2.39, the Auditor General states, “we also found that other assessors had encountered similar error rates over the past five years”.

So for five years you've had information about callers not getting the right information on average 30% of the time. You say you're not surprised and that you don't wait around for the Auditor General's report, yet you're only now starting to have a "new approach to training". How does this make any sense?

Mr. Bob Hamilton: On the access side, we've adjusted our system to allow more people to get through. This means that the people who get through might have to wait a bit longer. Although the wait times have increased a little bit, we are seeing about 50% of people getting through. I'm not saying that's perfect or the end of the story, but it's better than the results we would have seen during the time that the Auditor General looked at it. That's something we're doing now in advance of the technology. Once the technology comes in, we'll be able to give people a sense of the wait times, and we may not get any busy signals, or very few. That will be a different world, but we're taking action now.

As for our training system, every agent gets six weeks of training when they go through. This is something we look at on a continuous basis. We check whether we're seeing any issues and whether we need to make adjustments. We have recently made significant changes that we're rolling out. As Frank mentioned, we have a new gating process for how agents get into being on the lines, as well as a new nesting function whereby they work together to improve. We are making improvements right now before the technology comes. We didn't decide after the Auditor General's report to invest in new technology—that decision was taken, it's in train, and it will arrive next year.

It's something we have to improve on. I don't think I could be clearer with the committee or in our action plan that we need to improve, and we think we have a plan to do so.

The Chair: Thank you very much.

Mr. Nuttall.

Mr. Alexander Nuttall: Thank you.

Mr. Chair, there aren't very many occasions on which there is a very negative audit, the department comes in, and the perception of the department goes down, but this is one of those. I feel like I'm sitting in an episode of *Yes, Prime Minister* or *Yes Minister*, for those who know what I'm talking about, and I feel like the overall attitude from CRA is kind of laissez-faire, "I don't care", "It just is what it is."

I'll use this analogy to our friends at the CRA. You keep saying "technology", and it's like driving a car, crashing it, and saying, "Well, we just needed a new car", and that is not what's needed. The driver needs to be better trained. There needs to be an entirely new culture. Technology can drive efficiencies, it can be a product, it can be a core to a process, it is a sector of our economy—it is not a culture. This is a culture issue.

If it weren't a culture issue, we wouldn't have tables here in this report—and I know these are showing how bad it is—and the best on these four tables is showing a 52% incorrect response. You couldn't even hit 50%. It's mind-boggling that we're now talking about technology. I don't want to hear about technology. We're going to hear enough about technology with Phoenix.

I want to hear what culture change is going to take place within this department, within the entire CRA.

It is no secret that this is a bit of a rat's nest, and I want to understand what's going to change so that my constituents and the constituents of every member of Parliament who sits in this place are not going to be coming to us complaining about all of the issues we get complaints about all of the time. Our job is to ensure you're coming to us. When you've come today to try to show accountability and transparency, and you're saying, "We're going to be transparent, and we're going to get technology, and we're going to institute training changes", that is not good enough.

I can't believe that we've had access to this report now for two weeks, and it's been publicly produced. I'm not sure how long you've had access to this report, but this is not good enough. I don't even have a question, because I just don't think you can answer any of them. It is that bad. I don't understand where this is going. I'm not even sure what we ask to come back to in a year except to say, "Okay, is your incorrect response rate now at 50% instead of 84% on this one question?", or "Is it now at 25% instead of 52%?" I'm not even sure where we go, because what's going to happen next year is that you're going to say, "Well, we instituted the technology but it takes about six to 12 months for it to get through the system." We're going to be three years down the road and we're still going to have these crappy results coming out of CRA, and it needs an entire culture change, not a new piece of technology.

That's all I have.

● (0945)

The Chair: Thank you very much, Mr. Nuttall.

We'll now move to Ms. Shanahan, please, and then Mr. Christopherson.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Chair.

I'm afraid that I have to continue on the same line as my colleague, but I am more intrigued by how it did change, because, like my colleague Mr. Lefebvre, I worked in banking and tax services over the last 20 to 25 years. It was common practice for me to sit with my client and say, "Well, let's just call CRA and get to the root of this", reach an agent within a very short time, get some kind of an answer, and be able to move on.

In fact, at the time, being a Quebecker, I had the additional joy of actually calling Revenu Québec, and at the time it was Revenu Québec that had difficulty answering our questions in a timely manner. And yet about 10 years ago, I noticed that it flipped. We had more trouble getting through to CRA. Revenu Québec had improved immensely.

My question for the Auditor General is to please give us a bit of a historical perspective, because I'm sure this is not the first time you've audited the CRA and its quality and response times. Give us a bit of that. Maybe we can get some of the root causes of this culture change. I agree that it must be incredibly frustrating for the employees, who I'm sure take great pride in their work, to even be giving an inaccurate response in a, "Well, let me just get rid of this call" kind of way. What has changed? Has it been the performance—and I'll ask Mr. Hamilton and his team—and what are the performance indicators that are being used for employees? Has that changed over the years, such that employees are now motivated in a different way when they're answering public calls?

I'll go to the Auditor General first, please.

The Chair: Go ahead, Mr. Ferguson, please.

Mr. Michael Ferguson: I believe the last time we looked at this issue was in 1991, so I'd have to go back into all of the details of that.

In the audit that we presented here, we did provide five years of information about the ability of taxpayers to reach an agent, and in 2012-13 it was about 37% and in 2016-17 at 32%. So over the last five years, certainly, the ability of people to reach an agent has been at roughly the same place. Actually, during that time period, in the intervening three years, there were years when it was even worse. In 2015-16, it was only 19% and that improved slightly in 2016-17, but overall, it has been in the range of 37% or less for the last five years.

• (0950)

Mrs. Brenda Shanahan: Thank you.

Go ahead, Mr. Hamilton.

Mr. Bob Hamilton: I just want to say one thing in response, Mr. Chair. If anybody at the table thinks that these results don't cause us concern at CRA or cause us to know that we have to improve, I just want to correct that notion. I refer to technology because it is going to be an improvement, but to use the driver analogy, we know that we need to train better. We know that we need to take a client-focused approach to this, both in our actions and in our reporting. While this may not be surprising in some sense, because we've seen some of the numbers before on the accessibility side, we know we need to take action. This is very serious for us, and we will be improving.

Mrs. Brenda Shanahan: Sorry, can I just jump in there?

Mr. Bob Hamilton: I just wanted to say that first off.

Mrs. Brenda Shanahan: Paragraph 2.28 says:

The Agency told us that callers would prefer a busy signal or an automated message to waiting a long time to speak with an agent. However, the Agency had not surveyed callers to verify this assumption.

So if we are going to the client base, are you talking to Canadians about what they're expecting from the CRA? Because it's an honour system, and it works both ways.

Mr. Bob Hamilton: Yes. We do now have a survey at the end of the call that we're using to get feedback from Canadians. I would say, on the issue of whether we should have longer wait times versus how many people get through the queue, that was looked at, I believe, in 2006 and 2012. The agency did look at it to see if those were still the right choices and chose to stick with the two-minute standard.

We are trying to do even more in the area of getting feedback from clients. If you talk about culture change, we see a few places in the agency where we are trying to change the culture, to think about the client first, not what works for us but what works for the client, and we will be using that to guide our decisions. I can only say that next year, if I come back in front of this committee, I hope to be able to say we are now reporting more transparently on what we've done; we are seeing some results of the better training that we have, hopefully implementing the new technology; and we have better overall call measurement in terms of how many people get through and how long they wait. That's going to be my accountability to this exercise.

The Chair: Thank you, Ms. Shanahan.

Go ahead, Mr. Christopherson.

Mr. David Christopherson: Thank you, Chair.

I'd like to pick up where Madam Shanahan was before I go to my main question.

On page 16 at 2.79, the report shows us:

The Agency's internal analysis found that, on average, in 75 percent of calls that were directed to the automated self-service system, the caller hung up before... listening to the main menu....

Furthermore, our analysis showed that 69 percent of callers who reached the system called back repeatedly until they reached an agent.

Again, you sent people to the self-service system, and 75% of the people hung up; yet, you tell us that you've been listening to what Canadians want. There's a major disconnect there in terms of what you think Canadians want and what Canadians actually want.

At some point, you have to get past this artificiality of picking these things out of I don't know where and start asking Canadians. If you were asking Canadians, you would not have a system where 75% of the people don't like what you're doing in terms of how you're providing that information. It just screams that you're not listening.

I want to go to something, though, that really concerned me. I'm going to come back to this business of the national quality and accuracy learning program, and the fact that on page 14, at 2.67....

I want to tell you that one of the biggest sins a minister can commit is to mislead the House. That is a firing offence. I'm looking at 2.67 and it says, "Overall, we found that the Canada Revenue Agency's public reporting overstated its call centres' results." In fact, in your departmental results report of 2016-2017, you bragged about a success rate of between 87% and 90%, and that's wrong.

My first question is—and I'd like a quick answer to this—in your next report, are you going to acknowledge that you had wrong information in the previous year's report?

• (0955)

Mr. Bob Hamilton: What I will say about the next report is that we will provide a more comprehensive view.

Mr. David Christopherson: That's not what I asked, sir. I asked you if you're going to acknowledge that you gave Canadians the wrong information. Are you going to put that in that report, yes or no?

Mr. Bob Hamilton: I don't believe that we would say we provided wrong information. I believe that we would say we provided some information, and we didn't provide other.

We're not going to wait for next year's report. We're going to start reporting transparently on the overall call centre picture, because some of our measures have not been reflective of what Canadians want to hear. We are taking action, and I think by implication, saying that the reporting we are doing is not complete, and we need to provide a better report.

Mr. David Christopherson: That's not accurate. On what you were going to do about things, you went on to say in your report that you're going to expand the information. That's nice. What I'd like to see is you committing to making it accurate. This is a big deal. That's why I started by saying that when a minister stands up in the House of Commons and misleads the House, they get fired.

This agency misled Canadians, and I'm not hearing a good enough *mea culpa* and what you're going to do about it.

Mr. Bob Hamilton: I think what you're hearing is that we don't think what we provided is adequate, and we are going to provide more information and better information that's meaningful to Canadians.

Mr. David Christopherson: Will you say that much, at least, that the information from the previous year was accurate? Don't just tell me you're going to give more information. That's pretty useless in a world of overloaded information.

Mr. Bob Hamilton: I would just say that more information can be better, typically, and if we could typically report.... We answered calls within two minutes 80% of the time. That doesn't say anything about how many people didn't get through, so I would call that inadequate information. It's not misleading. It's not inaccurate, but it doesn't tell a part of the story that would be of interest to Canadians.

Mr. David Christopherson: It is inaccurate to say your error rate is 6%, and it's actually 30%. You don't think that's misleading? You don't think that's inaccurate?

Mr. Bob Hamilton: We're talking about public reporting here. I want to finish on that one to say that the information we provide could be accurate, but it could also be better if we provided more. I think in the area of the call centres, that's one of the things we're trying to do. We are doing it, and we're going to do better. We're going to provide a more complete picture that talks about not only if you get through, how long you will wait, but also about the people who don't get through. I think that's what's going to make it more meaningful for people.

Mr. David Christopherson: Expect to come back early, because there's still a whole host of questions here.

The Chair: Thank you very much.

I think we are looking at the calendar for May-June. That may not be enough time to do a lot of evaluation, but we'll be looking at calendars for callbacks, I'm sure.

[*Translation*]

Mr. Massé, you have five minutes.

Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.): Thank you, Mr. Chair. I must congratulate you on your French. I am always very impressed.

Mr. Commissioner, thank you for being here. This is of course a difficult report for us.

Remind me of approximately how many employees you are responsible for at the agency.

Mr. Bob Hamilton: We have 2,000 employees during the regular season, but that goes up to 3,000 while the T1 forms are being processed.

Mr. Rémi Massé: That is just at the call centres?

Mr. Bob Hamilton: There are between 2,000 and 3,000.

Mr. Rémi Massé: That includes the nine call centres?

Mr. Bob Hamilton: Yes.

Mr. Rémi Massé: Okay.

Mr. Bob Hamilton: In total.

Mr. Rémi Massé: In your opinion, how many of those employees are aware of the Auditor General's report and have read it?

Mr. Bob Hamilton: I am not sure, but I think just about everyone is aware of the report. I sent a message to all employees to inform them of the report and of the need to make improvements and work together to offer better service to Canadians.

• (1000)

Mr. Rémi Massé: Very well. I think that is a very important step. Public servants often work very hard to make sure that they truly meet the objectives they are given. The report obviously highlights some very significant problems and, in my opinion, employees need to be made aware of that. You will have to make sure that they are aware of the report and read it. Sometimes just raising awareness can have a major impact.

Mr. Ferguson, do you know how many call centres the Government of Canada has and how many public servants work there?

Mr. Michael Ferguson: In total?

Mr. Rémi Massé: Yes.

Mr. Michael Ferguson: You mean at all the call centres?

Mr. Rémi Massé: Yes, all the call centres and all the employees who work there.

Mr. Michael Ferguson: No, I do not have that information. Our audit pertained to the agency's call centres only.

Mr. Rémi Massé: Okay.

That is an important question for me. I think the federal government has many call centres across the country, with a great many public servants working there. That is why I would like to know to what extent Revenue Canada works with other departments, especially with deputy ministers, to see whether they can benefit from the services offered by other call centres. For various reasons, I think we too often work in isolation, within our own department.

For example, when we receive a report like this one from the Auditor General, we react by saying that we need new technology and additional resources in order to meet all the needs. Yet we should really have a better overview and check to see which departments offer call centre services. I am thinking of course of the 1 800 O-Canada line. That is an important call centre. In short, I wonder whether lessons can be gleaned from the other call centres.

Has that been done and, if not, will it be?

Mr. Bob Hamilton: That is a very important issue. We have to work with others, including Service Canada. I mentioned new technologies, but I was referring to the entire government in that regard. It is important for the agency, but it is also important for Service Canada and other departments. We are working together to implement new technologies, and to share best practices, our experience, and our shared issues.

The situation is a bit different at the agency. The type of questions we receive are sometimes more complicated. That said, we have a lot in common with the various departments and agencies. That is why we are working with deputy ministers and other people from various departments and agencies.

Mr. Rémi Massé: People from the departments all talk about their very specific characteristics which make it very difficult for them to collaborate effectively with other departments and agencies. That is why I am happy to hear you say that agents with more general training would be able to answer some of the questions from Canadian taxpayers. That would be one way of drawing on the services offered by other departments.

In addition to the examples you have given, can you think of other avenues for optimization or improvement that could involve collaboration with various departments?

Mr. Bob Hamilton: I will ask my colleague to give you some better examples.

The new system has in fact been very important in the past year, but I think that other past examples illustrate how we have worked with other departments and agencies to share best practices.

Mr. Vermaeten, can you give us some more examples?

•(1005)

[English]

The Chair: We'll let you finish this question. We're a minute over already, but go ahead, sir.

[Translation]

Mr. Frank Vermaeten: I would like to add that information is shared about the quality of our response. We are working on various avenues in this regard. We are also talking with the private sector. That is another way of finding new and better ways of working. For

example, we have discussed the issue of best practices with Tangerine, which offers good service.

[English]

The Chair: We'll now move back to Mr. Deltell.

[Translation]

Mr. Gérard Deltell: Thank you, Mr. Chair.

In your introduction earlier, you said something that was right on the mark. In fact, I am convinced that the 337 other members of the House of Commons share your opinion.

We have received a lot of calls from Canadians who were outraged by this. These people are not millionaires or people who hire an accountant to fill out their tax return. They are ordinary citizens with a modest income. In most cases, they are seniors. Eight times out of ten, or 84% of the time, these people were not able to talk to an agent or, even worse, got incorrect information.

Did these people pay too much tax or not enough? That is the question, and it is obviously the first one that comes to mind for them.

Did they pay too much tax as a result of the incorrect information they were given?

Mr. Hamilton, what recourse do these people have?

Mr. Bob Hamilton: I am not sure I understand your question.

It is important for those people to get the right information.

Your question about taxes and whether they paid too much or not enough is interesting.

In my opinion, providing information that is consistent with the law is important. That is why we will do many things to improve training and ensure that the right person gives those people the right answer, especially in the case of vulnerable people, you are right.

Having a good website with accurate information is important. On the other hand, many people would rather talk to an agent. That is an important issue for us and we will improve.

Mr. Gérard Deltell: What you say is very interesting, Mr. Hamilton, but you did not answer my question. Since I am having trouble getting my point across, let me ask the question again.

My riding office received calls from people who said they filled out their tax returns according to the information they had received from the revenue department. Then these people learned that the information they were given was not entirely accurate, to say the least.

These people filled out their tax return based on inaccurate information. Perhaps they paid too much tax as a result.

What recourse do people have who paid too much tax as a result of the inaccurate information provided by your agency?

Mr. Bob Hamilton: I'm sorry, I had not understood your question properly.

We have a system called “taxpayer relief provisions” whereby someone can contact the agency to report that they paid too much tax as a result of an error by the agency. We then examine their complaint. We can cancel interest if that is acceptable and appropriate. Those people can contact the agency to speak to an agent about that.

Mr. Gérard Deltell: Mr. Hamilton, with all due respect to you and your employees, I have to tell you that people are suspicious. If we receive inaccurate information when we are filling out our income tax return, who says the analysis will be correct? How can you guarantee Canadian citizens who were shortchanged once that they will not be shortchanged a second time when their file is reviewed?

Mr. Bob Hamilton: The taxpayer relief provisions are important, but I think providing accurate information to people is even more important.

So it is by ensuring that the information is accurate and appropriate that we can improve. I think the agency has shown integrity over the years and that people have to trust it. To my mind, we have to ensure that we are providing the best information possible to Canadians. Since this is a very important responsibility for the agency, we will make improvements in this regard.

• (1010)

Mr. Gérard Deltell: The issue for us is not integrity, but effectiveness.

Thank you, Mr. Chair.

[English]

The Chair: Thank you, Mr. Hamilton.

You had a little more time, Mr. Deltell. Maybe I'll just ask one quick question.

How is morale at CRA? How is morale amongst employees? With an audit like this coming down, is morale high?

Mr. Bob Hamilton: Mr. Chair, it's an interesting question. I'm pleased to say that the morale in this area is high.

I'll just refer to the example last year on the appeals audit, which, again, was difficult for us because it pointed to a number of shortcomings in our appeals process in terms of timeliness. We weren't giving information in a way that tax payers expected. When I talked to the appeals people afterwards, they were actually somewhat energized. To go back, people there understand some of the problems in the system. When we have a motivated action plan to correct it, they get energized by it.

I did ask the question. I sent out the message, as indicated, to tell people about the report, the importance for us, and the importance of improving. I asked the representatives from the call centres how people are feeling. They said that they actually feel good. They're feeling that this is an opportunity for us to really improve, to make sure that we're giving them the right tools. We have the technology on the horizon, but there will be an importance, a priority, attached to this by virtue of what I'm doing and by virtue of what Frank and Gillian are doing. People are seizing that opportunity.

We have to deliver on that. I know that will be an issue for the committee and the Auditor General. Are we going to commit to improving the way that we've laid out in our action plan? I believe that we will. Our employees will be expecting that and putting our feet to the fire.

For the moment I can say, yes, they're feeling motivated to make improvements to the system.

The Chair: Thank you.

Ms. Mendès, go ahead.

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Thank you very much, Mr. Chair. Thank you all for being here.

I'm going to follow up on my colleagues' points, Mr. Christopherson's and Mr. Deltell's, about the fact that taxpayers are citizens. Taxpayers expect a government that provides services to them that are accurate and timely.

When someone calls one of the call centres to ask for tax information and is given an erroneous answer, that will most automatically cause someone, in good faith, to submit an erroneous return. He or she is going to make a return that is mistaken because of the information he or she received. Mr. Deltell asked what recourse they have. Almost automatically the agency actually does the calculations and eventually will give us a proper amount. However, when we owe money to the agency, we're charged interest. When the agency owes money to us, not one red cent is paid in interest. For some people this is a big issue. It's a lot of money. They did it in good faith. They actually produced their returns in good faith.

Why are we continuing to provide bad information to people? If somebody doesn't know the answer, they should tell the citizen that they don't know the answer. Refer them to somebody who can answer them. But giving erroneous information is extremely harmful. I really can't understand how for years—this is not recent, this is not one time, this has been going on for awhile—we can continue to sustain a service that is providing erroneous information to citizens.

Mr. Bob Hamilton: I'll ask my colleague to talk a little more about what we do in the cases where taxpayers get erroneous information. I talked about the taxpayer relief program, but he'll elaborate on that.

However, you are absolutely right. One of the things I want to emphasize for our agents is that we understand that the tax system is complicated, and they might not know the answer to every question, depending on what tier of agent they are. If they are first tier and get a very detailed question about RRSPs, or what have you, the right thing to do is to say, “I don't know, and I'll refer you to someone who does.” It is not right to try to guess—

•(1015)

Mrs. Alexandra Mendès: May I interrupt you for two seconds, Mr. Hamilton? I saw the numbers on the child benefit program, and 21% of answers given in the first year of implementation of the program were erroneous. That's very high in a program that should be reasonably easy to explain to citizens. How do you explain that?

Mr. Bob Hamilton: I'd have to look in more detail at those numbers, and I'm happy to do that and come back to you, but I think the important point, which I'm agreeing with you on, is that our agents need to know that if they don't know the answer, to find someone who does, and get the right information out there. I totally agree with you.

Maybe I'll just ask Frank to comment a bit more on that.

The Chair: Mr. Vermaeten.

Mr. Frank Vermaeten: Thanks for that. Maybe I can just add a couple of things. I think it's important that you talked about the child benefit, for example. As well as having opportunities for relief if there's a problem, it's also important to know that the child benefit, for example, is retroactive for 10 years, so you can imagine a situation where—

Mrs. Alexandra Mendès: Is the child benefit retroactive for 10 years?

The Chair: You're talking about two different plans. She's talking about the new program, and you're talking about the child tax benefit.

Mr. Frank Vermaeten: What I mean by that is, imagine a situation where an individual doesn't apply for the Canada child benefit and later finds out they should have applied. I'm just giving you an example. They then apply, but later. The individual would be paid retroactively for any amounts that were owing. I say "retroactive for 10 years" because five years from now if the individual applies and should have applied way back, they are going to get paid retroactively the full amount. That's what I mean by retroactive for up to 10 years.

It's just to say that there are measures in place where we—

Mrs. Alexandra Mendès: I'm sure you have heard the stories, particularly of women, who have been trying to prove that they are the mothers of one or two children. We're even asking them to get their ex-husbands to sign off on it. Excuse me, but that just doesn't work.

They are mothers. They have children. Why are you asking these very onerous questions of citizens?

Mr. Frank Vermaeten: Absolutely, there are some very difficult cases here, and people in very difficult situations, and those whose situations change. There are procedures, and at first instance you're going to try to verify the information. I do believe our call centres and our people are very responsive; they do try to find alternative answers. When they do, the child benefit is retroactive to the day when they should have gotten it.

I can say the same thing in terms of adjustments to taxes. There are a lot of people—1.9 million a year—who resubmit their taxes because they forgot something. It could be because they had an incorrect answer from a call agent, but more likely it's because they forgot something themselves. Again, we go back and make those

adjustments, and as a result, we end up with tax returns that are very accurate.

The Chair: Thank you very much.

We'll now move to Mr. Nuttall and then Mr. Christopherson, and then that's it for today.

Mr. Alexander Nuttall: Thank you, Mr. Chair.

There were some questions by Mr. Christopherson, and I just want to follow up because something needs to be talked about. Paragraph 2.68 of the Auditor General's report states that:

According to the Agency, about 90 percent of callers are connected to either the automated self-service system or a call centre agent. By blocking and redirecting calls, the Agency was able to report that it had met its targets for all telephone lines. However, when blocked calls are factored in, the Agency's overall success rate was 36 percent.

Those are the Auditor General's words. Was there a paragraph within the reporting from CRA that said callers are connected 90% of the time?

Mr. Bob Hamilton: I'm not sure I'm understanding your question.

•(1020)

Mr. Alexander Nuttall: The question from Mr. Christopherson was along the lines of accurate reporting, which was also outlined by the Auditor General.

It is giving misinformation when we customize the amount of information we're going to put out there to make it seem like one thing when it's actually another. If the real number is a 36% success rate but the reported number is 90% and we change the criteria a little bit here and there to try to make it look good when it's not, on the best day I'm having of the year, being the kind person that I am, I have to call that misinformation. The rest of the days, I'd probably call it something else, but that's not appropriate for this committee.

How is that the case? That's even worse than the wrong answers to members of the public, because it goes from the stage of mistakes made on the phone line to crafted political messaging to show that we're something that we're not.

Mr. Bob Hamilton: Mr. Chair, what I would say is that I'd like to improve that information we're giving, to make it more accurate and more comprehensive.

Mr. Alexander Nuttall: It's 36% to 90%, Mr. Hamilton. It's 36% versus 90%. This is not a thing about improving. This is somebody determined that they were going to include something and not include something else to make something look really good. I'm not sure what the structure is of those who make these decisions, in terms of their pay structure. Do they get bonuses based on these things? Is this part of an annual review?

Somebody somewhere crafted this to be able to go out and say, "I pat myself on the back, 90%". Meanwhile, as soon as we open that door, it's actually 36%.

Mr. Bob Hamilton: I think, Mr. Chair, this goes back to my earlier point. One can construct different measures of how one is doing. Again, the 80% in two minutes is one measure. What I prefer, and my commitment, is to make sure we're presenting the total picture. We can talk.... I'll let Frank speak a little bit about the potential, I think, of 87% or 90%, which could be caller acceptance

Mr. Alexander Nuttall: There is only one perspective that matters here. That is the perspective of the people we're serving. Those are the people who are calling in. Those are the callers. From the callers' perspective, it's a 36% rate. From your department's perspective, it's a 90% rate. That is a huge variance. That actually is the best example of the culture issues that are so obviously existing. I don't think there's a member around this table right now who is thinking, "Yeah, we don't really have culture issues; we need a little bit more transparency and maybe we need to train some people better and get some better technology, and CRA is off to the races".

I don't think that is a thing. That's the message I'm hearing, and I don't think that's a thing that exists around this table. I think you need to go back. I want to know who came up with the system to say that over half the callers aren't actually callers. I want to know who came out with these results, because they just don't make sense.

The Chair: We have about a 20-second answer coming.

Mr. Bob Hamilton: I think I will be able to satisfy what you want. I think in the new world that we're embarking into, we will give a comprehensive picture. We will know how many people got through, how many people didn't get through, and how long people waited on the phone. By giving that complete picture.... And I think transparency does change culture, because we will know and we will be accountable for everything that's happening, whether it's good or not so good. We will know, Canadians will know, and you will get the statistics you need, and I hope to be starting to provide those on the website as early as next month, on a monthly basis.

The Chair: Thank you.

Mr. Bob Hamilton: We will be reporting to Canadians in a way that I think makes sense, and whether it looks good for the agency or bad for the agency, we will report those numbers.

The Chair: Thank you very much, Mr. Hamilton.

Mr. Christopherson, you're going to have the final say today.

Mr. David Christopherson: Thank you, Chair.

Just to close off that accuracy issue, we've had this in the past with these departmental results reports. We may need to go back, every now and then, to just randomly pull one and hold a hearing on it. We found in the past that there were some corrective measures, but the arguments Mr. Nuttall just made.... This is exactly what is unacceptable in terms of talking to Canadians. This looks like it was contrived, I agree. That's why it upset me so much.

One of the reasons we televise this is not just so that Canadians can hear but so that the rest of government can hear. I'm hoping there are departments and deputies who are understanding that monkeying around with these departmental results reports, playing with the numbers to make them look good, is eventually going to come back to haunt you. We will find you.

If I can, Chair, though, I want to return to this. It's just nagging at me. The national quality and accuracy learning program, this whole thing....

My questions are going to go to Mr. Ferguson. For instance, one of the methods they use.... I'm talking about this entity itself. It looks pretty Mickey Mouse to me. It's supposed to be a professional entity that gives a reflection of what's going on. With the certified listener thing, where you actually sit down beside them and monitor it, of course people are going to modify their behaviour if their examiner is sitting right beside them. That's what I'm worried about—the shallowness of the thinking of this.

Another method was to have agents make anonymous calls to other agents and ask non-account-specific.... In these cases, agents often recognized the caller's voice since it was one of their colleagues. In many cases, the telephone system identified that the call was coming from a testing line.

Help me understand what is going on in this Mickey Mouse outfit, Mr. Ferguson. Really, is there any wonder we have a lot of these problems, when these are the training methods?

Mr. Ferguson, maybe you can give me a calmer reflection on this than I have done.

●(1025)

The Chair: Mr. Ferguson.

Mr. Michael Ferguson: Certainly the issue we were raising was exactly as you described. If somebody knows that their response is being monitored, they will modify their behaviour. For example, they would be more likely to go and look up the answer in the computer system than to try to just answer it off the cuff. In fact, I think our auditors will tell you that in the course of our calls—which were anonymous—there would have been a correlation between the people who took their time and that you could tell were trying to look it up versus the agents who were giving an answer more quickly. I think that's the type of behaviour change that will happen if an agent knows that they are being monitored.

Mr. David Christopherson: Do you know what? I don't think you need you need a Ph.D. in anything to get that. That's what struck me. The level of common sense seemed to be missing.

I touched on something earlier, and I want to come back to it again. It's about the Office of the Taxpayers' Ombudsman. It's related, to the extent that \$2.3 million of taxpayers' money was spent through this department. Again, I want to remind colleagues that this is the report that said, "our role is not to be an advocate for taxpayers," and then three paragraphs later, "we serve taxpayers". Give me a break.

In this report, there's \$2.3 million a year for this ombudsman, who by the way, is not an agent of Parliament. This is an ombudsman attached to the minister. I'm not even sure they should be allowed to call themselves ombudsmen, in light of that. However:

Our office has received numerous complaints from taxpayers and representatives in recent years, claiming it is very difficult to connect with the CRA's general enquiries telephone lines.

You think?

A recurring complaint from taxpayers is they reach a busy signal, regardless of the time of the day they call, forcing them to make multiple calls.

Given the announcement of increased funding for telephone access and initiatives underway by the CRA, our Office is not opening an examination at this time, but we are monitoring this issue.

The Chair: Be very brief.

Mr. David Christopherson: What I'd like is just a very quick response from the Auditor General in terms of value for money with regard to this ombudsman's office. The biggest issue was the ability to get through. They found that there was a problem, and once the minister said, "I'm putting money on it," they shut down.

What value are we getting for our \$2.3 million here, Auditor General?

The Chair: Be very quick, Mr. Ferguson.

Mr. Michael Ferguson: Obviously I can't answer the question from that point of view. We haven't gone in and done the analysis. However, it's very evident that this issue about access and accuracy is extremely important. I think the agency has said that they are going to try to fix it, but as has been the case with a lot of the questioning today, really this issue needed to have been dealt with earlier.

• (1030)

The Chair: Thank you.

Mr. Hamilton, you have 20 seconds for a very quick comment.

Mr. Bob Hamilton: We referred to the departmental results report a few times. I'm not saying we can't do better; we can.

However, if you look at the report, we do report for individual and business lines in a way that is not dissimilar to what the Auditor General's results are in terms of the number of calls answered by an agent, how many went through to self-service, and how many received a busy signal. I believe this is the start of us getting the complete picture that people need to have so that we can understand the problems from our perspective and Canadians can give us the feedback that we need to improve the system.

In there, what we report is not dissimilar to the results that the Auditor General had. There are a couple of minor differences. We are trying to be more transparent.

The Chair: Thank you very much, and thank you for appearing here today.

Just to finish off, to reiterate what I said earlier about the number of calls coming in, in rural Alberta we have an expression. I don't know if it's even politically appropriate to call it what we call it. When you try to find the light at the end of the tunnel, on the farm they say that you try to make a silk purse out of a pig's ear. That's a bad analogy, and maybe I shouldn't bring it up in Parliament, but it's to make something pretty out of something ugly. That's what I want to do. I thank you for being here.

I will say that with all the constituency work we do, I appreciate the liaison that the CRA has with the offices of members of Parliament. From what my staff tells me, people call our office because they are so frustrated. They're at the end of their rope with CRA. Our staff has the ability to connect with someone in CRA and typically get, I would hope right answers, but answers. Thank you for that.

To bring that level back to the general public, who really all parties want to help and support, we can only do it with your help. It's similar to the people at the border crossings coming back from the States. When they meet a Canadian border crossing agent and that agent is friendly and welcoming, it's appreciated. When people come back into Canada and meet someone who's upset and mad right at the beginning, I hear about it. Our offices hear about it: who do you have representing you at that border?

It's the very same with the CRA. Who do you have representing the CRA on the phone? They are the face of the CRA. It's not Mr. Hamilton; it's not Mr. Vermaeten; it's the person on the phone. That's why many of our constituents get frustrated.

You can expect a callback; I'll pretty well guarantee it without even going to committee business. There will be a callback, and hopefully in the interim we will see some good progress.

Thank you very much.

We're going to ask you all to leave as quickly as possible because we have some committee business. The last 10 minutes will be in camera, in confidence.

[Proceedings continue in camera]

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>