



Newsletter

Securing Compliance: Elephant in the Policy Closet? by Rod Quiney

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Over the last decade, the federal government invested heavily in improved service, and Canada is now internationally recognized as a leader in this field according to rankings by observers like *Accenture*, the global management consulting company. However, less attention has been paid to the quite different management issues confronting regulatory and enforcement agencies, although these now comprise the bulk of federal responsibilities, as well as a significant part of those of all governments. The Canada Revenue Agency, RCMP, Canada Border Services Agency, Canadian Air Transport Security Authority, Correctional Service of Canada, and large parts of many other departments fall into this category. The core mission of these agencies is to impose duties, often on recalcitrant citizens, for the public not the individual's benefit. While the concept of delighting the customer, and encouraging repeat business is central to the New Public Management, it is not obviously compatible with seizing an individual's assets for unpaid taxes, refusing them access to their flight or Canada, suspending the operations of a business, or incarcerating someone.

My interest is in developing tools to help the next generation of public servants manage compliance, and more generally to increase academic interest in this subject. My pre-retirement assignment from the Canada Revenue Agency with the Public Policy Program requires me to develop an MPP course on compliance for fall 2008. The course will examine the use of state sanctioned authority and coercion, and the very different strategic and managerial challenges it presents to service or process improvement. Fortunately there has been much academic interest in this subject in Australia, the United Kingdom and the United States on which we can draw.

As a simple example of the importance of compliance, it is impossible to understand the true effect of a country's tax system by looking only at tax policy and rates. How tax law is administered and enforced is a critical factor. An apparently fair and progressive rate structure may, in fact, be regressive if taxes supposedly levied on the wealthy are not collected. In the final analysis, policy is not about hope or intentions, but what is actually deliverable and delivered.

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The New School at Savianagar by John Richards

One morning, in early February, a dozen Dhaka Rotarians – plus two Canadians, one of them me – headed for Savianagar, a village on the Meghna River northeast of Dhaka. We were to inaugurate the new school. For two hours we traveled by bus. Upon reaching a river port, we transferred to a boat. On a beautiful winter day, the Meghna is quietly imposing. Even in the dry season the river is a kilometer wide. Villages along the

SFU has maintained over the years a link with IUBAT, a university in Bangladesh. Among the links have been summer internships by MPP students.

shore slipped by as the boat headed upstream. Nothing was unusual until, three hours later, we closed on the village landing site.

Only then did I appreciate the full significance of the school inauguration. The village dignitaries, led by the school management committee chairman, were there to greet us. The whole village turned out. And, dressed in crisp school uniforms, the school's 500 students formed a reception line along the path leading from the landing site into the village square.

One of the students broke from the reception line and came up to me. "My name's Sarjan. What's yours? Where are you from?" A straight-to-the-point introduction. The three-storey concrete school dominated the square. All other buildings were humble single-storey structures, built with corrugated sheet metal. At the inauguration ceremony, the imam offered his prayer; a school choir sang the national anthem; the management committee chairman described the wonders of the new three-storey, six-classroom, eight-teacher school. The detail that sticks in my mind is his informing us that a majority of the students were girls.

Many people spoke – including a few halting words in Bangla from us two Canadians.

After the ceremony, Sarjan wanted to show us his family farm. We Canadians, plus a Dhaka Rotarian, plus a dozen kids set off. His father was growing vegetables and had a cow. Sarjan showed the small table and kerosene lamp where he did homework. His mother, father and sisters slept in the house; he slept in the small barn, along with the cow.



TFSA: Policy Research in Action by Jon Kesselman

The 2008 federal budget's Tax-Free Savings Account has been widely described as the most significant advance in Canada's tax treatment of savings since RRSPs in 1957. The TFSA operates like a mirror image of the RRSP—contributions are not tax deductible, but investment returns and withdrawals are free of tax. Moreover, TFSA withdrawals will not affect eligibility for federal income-tested tax credits or Guaranteed Income Supplements, thus giving low and moderate earners an incentive to save towards their retirement.

As a tax policy analyst, it is gratifying to see one's research translated so directly into practice.

My 2001 research, jointly with the C.D. Howe Institute, proposed a Canadian scheme like the TFSA. This proposal was studied by Finance Canada and cited, but not adopted, in the 2003 and 2004 budgets. So it was a surprise to see the TFSA implemented as the centerpiece of the recent budget.

No doubt, the federal government's decision to implement the TFSA was not purely a matter of smart policymaking. The TFSA provided a way out of an earlier promise to allow for tax-free rollovers of reinvested capital gains, and its very low initial revenue cost also fit a straitened fiscal context.

A researcher's analysis and recommendations occasionally affect policy decisions, but usually the actual policies are so diluted or deformed that one would prefer to disown any parentage. That is not the case with the TFSA, which has been designed to perfection.

In the years ahead, the TFSA will play an important role in short-term and longer-term savings choices by Canadians of all ages and all income levels. It will complement the existing options provided by RRSPs and employer pensions. The TFSA will provide added flexibility for personal savings decisions—with benefits both at the private level and for the economy and society at large.

Career in Public Policy by Leyla Nouhi

When thinking about my career after MPP, I never thought my first job out of school would start a week after school ended, be exactly related to my capstone and that I would be traveling half the world doing it! My work is project driven; on any given day I could be involved with conducting research, writing briefing notes, drafting research proposals, meeting with interlocutors, or writing different kinds of reports. At the moment, my project relates to a comparative analysis of the Qualifications Frameworks in Scotland, Ireland, England, Australia, New Zealand and the

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European Union. These jurisdictions have developed a Qualification Framework to streamline their education system, promote lifelong learning and/or structure their foreign credential recognition process. We are interested in the benefits of the Qualifications Frameworks and whether developing one for BC would be useful.

The study will in particular shed some light onto the foreign credential conundrum which was part of my capstone topic. In addition, we will learn how such a framework can bring cohesion to a wide range of quality assured awards that are offered by public and private education and training providers. The good news is that many countries are jumping on the Qualifications Framework bandwagon, which will make foreign credential recognition much easier for BC if we develop a Framework as well. I am looking forward to the day that we would utilize our migrant pool to their full potential!

Co-op: BC Ministry of Agriculture and Lands by Hannah Cavendish-Palmer (MPP 2008)

Farmland in BC is continually threatened by urban development, despite the presence of the Agricultural Land Reserve (ALR). My strong interest in farmland preservation led me to pursue a co-op placement at the BC Ministry of Agriculture and Lands last summer.

willingness-to-pay information. The results show that respondents place a high value on various attributes of farmland, including the local food and scenic views it provides.

This research highlights the importance of the ALR and inspired me to further investigate the extent to which the Reserve protects BC farmland. In my capstone I examine management policies of other North American reserves with the goal of finding ways to strengthen the ALR. My co-op at the Ministry of Agriculture and Lands has greatly enriched my capstone research and gave me a chance to utilize the research methods I learned during my first year in the MPP program.

I am hopeful that these two pieces of research will inform the public and the provincial government about the importance of farmland and inspire policies to protect it.

From Co-op

To Capstone!

In this position, I helped to coordinate a study examining the value of farmland from the perspective of Fraser Valley residents which involved designing and administering a survey that solicited



Congratulations

- Prof. Jon Kesselman has a new monograph "Income Splitting and Joint Taxation of Couples: What's Fair?" The Institute for Research on Public Policy.
- Prof. Dominique M. Gross, principal investigator, and Prof. Nicolas Schmitt have won a research grant from Metropolis British Columbia for a 2-year research project on "The temporary foreign worker programme and the Canadian labour market".

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The Master's in Public Policy is a two-year innovative graduate program that emphasizes the development of techniques to **undertake** and **manage** public **policy analysis** and planning.

The mandate of the program is to provide a professional graduate education that yields public policy analysts and managers who can **scrutinize** a problem, **interpret** and **analyze** relevant data, then **evaluate** alternative paths of action.

Graduates find employment in federal, provincial, and municipal governments, non-governmental organizations, crown corporations, and private-sector firms.

The program offers expertise in labour markets, environment, social policy, trade policy, immigration, Canadian and international policy, First Nations research, land use, communications, and more.

Climate Change Adaptation Drives Innovative Policy Development And Presents Opportunities for MPP Students by ACT Program Director Deborah Harford

The challenges posed by climate change are fast becoming drivers for innovative policy, from BC's new carbon tax to California's emissions regulations. MPP Director Dr. Nancy Olewiler and SFU Professor Emeritus Dr. Richard Lipsey are members of the steering committee for ACT (the Adaptation to Climate Change Team), a dynamic new research initiative based at SFU Vancouver, designed to generate policy resources for adaptation to climate change.

The adaptation approach acknowledges that we face inevitable climate-related impacts – such as violent storms, sea-level rise, compromised water supply, impacts on agriculture, fisheries, and forestry, energy challenges and health risks – due to current and future concentrations of CO₂ in the atmosphere, and formulates planning to help governments, industry and communities cope with the challenges. ACT will bring leading experts from around the world together with decision-makers in a four-year series of six-month public policy development sessions that will explore key risks posed by climate change and generate viable policy recommendations for sustainable adaptation, as a partner initiative to mitigation efforts. Session topics include: *Biodiversity, Extreme Weather Events, Fresh Water Supply, Energy Production and Distribution, Health Risks, Crop Adaptation, New Technologies, and Population Displacement*.

Each ACT session offers MPP students the opportunity to work as RAs with a senior policy author who will produce a white paper on the session findings for distribution nationally and online. Our policy author for ACT's first (biodiversity-based) session, *Communities in Jeopardy*, is former BC Deputy Minister Jon O'Riordan. ACT is in discussion with nationally-renowned climate scientist Dr. Gordon McBean regarding policy leadership for our second session, *Extreme Weather Events*, which will consider a wide range of issues, from building codes to emergency planning.

ACT's goal is not only to help decision-makers cope with undesirable events and raise public awareness, but to help identify and create new opportunities, both directly stemming from climate change – such as new crop/agriculture potential, and springing from initiatives that deal with both mitigation and adaptation. For instance, emissions regulations often lead to a burst of innovation in new anti-emission technologies, many of which can become commercial enterprises in their own right.

Several MPP students have worked with ACT to date, and more will be assisting with the first part of the *Extreme Weather Events* and future sessions.

Interested in learning more? Contact ACT at 604-671-2449.
