

Balancing the budget and providing tax relief

2024-25 Pre-budget
submission

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Executive Summary

The objective of the Canadian Taxpayers Federation's 2024-25 pre-budget submission is to demonstrate the significant overspending in Ottawa and show that the federal government could balance the budget with very modest spending restraint. In fact, the federal government would balance the budget in the upcoming fiscal year simply by bringing program spending in line with what the government's Budget 2021 projected to spend. That is, the CTF is using the government's own projected spending from its first pandemic-year budget to balance the books.

Budget 2021 spending projections are used because the government continued to ratchet up spending in every subsequent fiscal update and budget. The government would not balance the budget next year if it used spending projections from its 2022 or 2023 budgets given the CTF's proposed tax cuts. The government would, however, balance the budget next year using its spending projection from Budget 2022 without the CTF's proposed tax cuts.

The table below shows the fiscal summary using the CTF's proposed spending plan. The CTF recommends balancing the budget in 2024-25 by bringing program spending in line with Budget 2021 spending projections.

Table: CTF recommended fiscal summary (billions \$)

	2023	2024	2025
Program spending	409.2	414.4	426.7
Interest charges	46.4	47.0	47.4
Actuarial losses	6.9	3.3	1.5
Total spending	462.5	464.7	475.6
Revenue	458.4	475.5	492.4
Budgetary balance	-4.1	10.8	16.8

The rest of the pre-budget submission is broken into four sections.

Section 1 provides an overview of the federal government's spending problem, how the federal government put itself into its debt mess and where the federal government's budget situation is heading under the trajectory laid out in the last budget.

Section 2 is the CTF's budget analysis. It shows how the federal government can balance its budget by reducing program spending to match projected spending in the government's 2021 budget.

Section 3 recommends tax relief. Using the CTF's proposed fiscal summary, this section demonstrates how the government can reduce taxes while beginning to pay down the debt.

Section 4 identifies specific savings the CTF is recommending the government find. The CTF identifies about \$21 billion in annual savings in addition to up to \$91 billion in potential one-time savings.

Summary of Recommendations:

Balance the budget:

Recommendation: Balance the budget in 2024-25 by bringing program spending in line with Budget 2021 spending projections.

Tax relief:

Recommendation: Reverse all pandemic tax hikes, including the alcohol tax, payroll taxes, and scrap the two carbon taxes.

Recommendation: Reject future tax hikes, such as (but not limited to) a home equity tax, an annual surtax on homes, wealth tax, excess profits tax, fat, sugar and meat taxes.

Recommendation: Remove the requirement to report the sale of your home with the Canada Revenue Agency.

Recommendation: End the escalator tax on alcohol.

Recommendation: Use part of the recommended annual surpluses to cut taxes. Using the CTF's proposal, the government could:

- Cut the GST by one percentage point and reduce the debt by about \$3 billion annually; or,
- Cut the lowest income tax rate by two percentage points and reduce the debt by about \$3 billion annually.

Recommendation: End the business tax credits and use the money to eliminate the small business tax.

Members of Parliament:

Recommendation: Return politician pay to pre-COVID levels.

Recommendation: Reduce the size of cabinet to 2015 levels under Prime Minister Justin Trudeau, saving taxpayers \$3.5 million annually.

Recommendations: Reform retirement benefits by scrapping the MP severance and transition support slush fund.

Governor General:

Recommendation: Reverse the pandemic pay raises and reduce the salary of the governor general to the pre-pandemic salary of cabinet ministers, which is \$264,400.

Recommendation: Scrap the expense account for former governors general.

Recommendation: Turn the annual lifetime pension to an RRSP-style pension payment for years served.

Recommendation: End the clothing allowance and prohibit the expensing of dry cleaning for the governor general and staff's clothing.

Recommendation: Subject the Office of the Governor General to transparency legislation.

Recommendation: End foreign travel outside of Canada except for travel to the United Kingdom to perform duties associated with the monarchy.

Recommendation: Conduct a full spending review of Rideau Hall, requiring each spending decision to be justified. At minimum, MPs should look to cut 50 per cent of the annual budget, saving taxpayers about \$17 million annually.

Senate:

Recommendation: Return the Senate's inflation-adjusted spending to its 2015-16 levels, saving at least \$25 million every year.

Bureaucracy:

Recommendation: Implement a sunshine list to disclose the salary of all federal employees who receive an annual salary that's more than \$100,000.

Recommendation: Bring the government's inflation-adjusted labour costs back to 2018 levels, which is the last full year before the pandemic.

Corporate welfare:

Recommendation: Scrap all corporate welfare, including direct cash subsidies, niche tax credits, loans and loan guarantees.

Recommendation: End the federal subsidies to businesses through Crown corporations and regional development agencies. That would save at least \$1.9 billion annually.

Recommendation: Include minimum transparency requirements around corporate welfare such as the amounts disbursed or guaranteed, repayment schedule, amounts paid back, interest rates on loans, and frequent reporting on repayment. Parliament must also be required to vote on the subsidies before a business can receive any taxpayer funds.

Crown corporations:

Recommendation: Set a plan to remove all government funding to the Canada Infrastructure Bank, Via Rail, Canada Post, Telefilm Canada and cut the National Capital Commission's budget in half.

Recommendation: End the bonuses at Crown corporations that fail to meet their own publicly stated objectives.

Defund the CBC and end the media bailouts:

Recommendation: End all taxpayer funding to CBC, saving taxpayers more than \$1.2 billion annually.

Recommendation: Commit to no future media bailouts, saving taxpayers \$147 million annually.

Equalization:

Recommendation: Reduce the size of equalization with the goal of eventually ending the program through the CTF's 20-year equalization phase out proposal. This would save taxpayers about \$3.7 billion next year compared to the status quo.

Gun ban and buyback:

Recommendation: End the gun ban and buyback program, saving taxpayers an estimated \$2.6 billion.

Politician welfare:

Recommendation: Scrap the political contributions tax credit saving taxpayers \$25 million annually.

Recommendation: End the campaign reimbursements for political parties and candidates, which includes not reimbursing campaigns for the 2021 election. This would save taxpayers almost \$70 million.

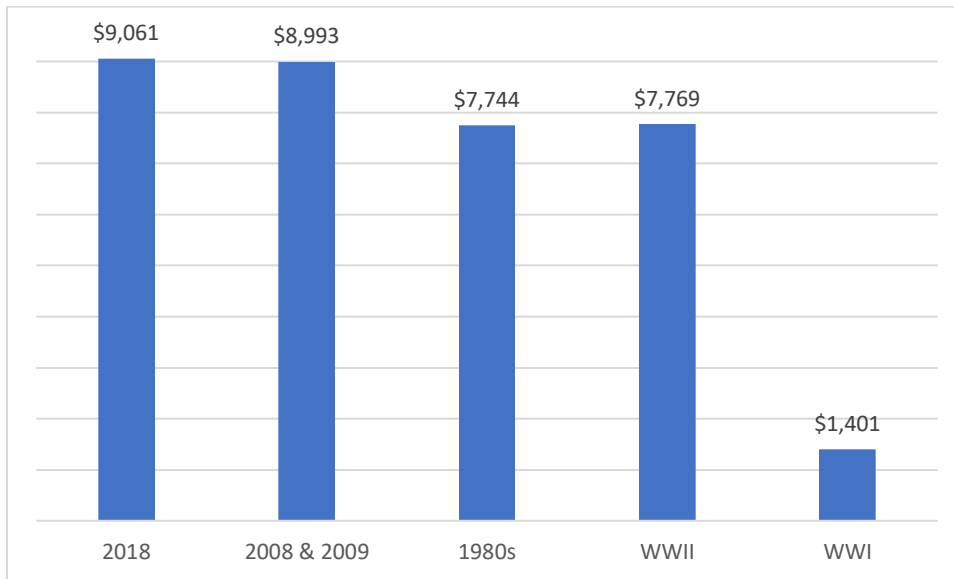
Spending review:

Recommendation: Implement a comprehensive spending review similar to the Chrétien government's review in the 1990s.

Section 1: Overview

In 2018, the federal government was spending all-time highs, even when accounting for inflation and population growth. That was before the pandemic or any country-wide recession. And it means that the federal government was spending more money than the government did during any single year during the world wars or major economic recession. The figure below compares the federal government's 2018 (pre-pandemic) spending with previous highs.¹

Figure: Per-person spending (2021 \$)

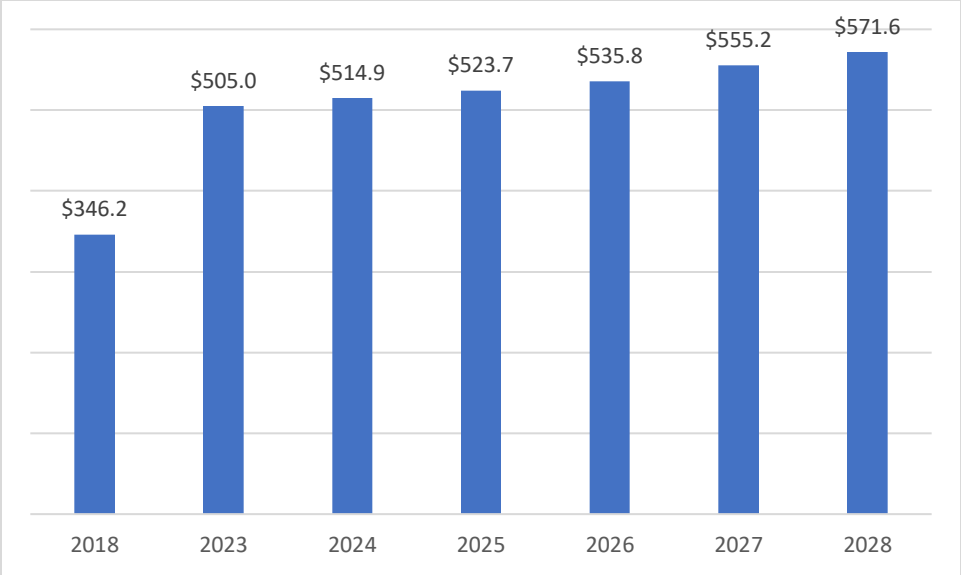


The government is projected to spend significantly more money for years to come. By 2028 – the last year forecasted by the Parliamentary Budget Officer – the government will have increased its pre-pandemic (and all-time high) spending by \$225 billion.²

Figure: Pre-pandemic vs projected spending (billions \$)

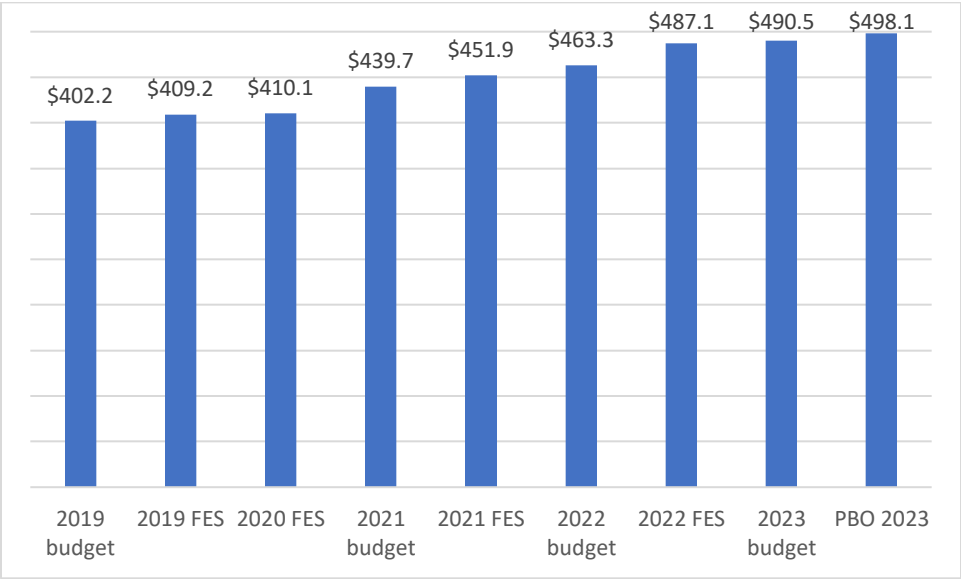
¹ Fraser Institute, Prime Ministers and Government Spending: 2021 Edition, <https://www.fraserinstitute.org/blogs/prime-ministers-and-government-spending-2021-edition> ; Fraser Institute, Prime Ministers and Government Spending Updated 2021 edition, <https://www.fraserinstitute.org/sites/default/files/prime-ministers-and-government-spending-updated-2021-edition.pdf>

² 2018 spending found here: <https://www.budget.canada.ca/efu-meb/2019/docs/statement-enonce/efu-meb-2019-eng.pdf>; projected spending found here: <https://distribution-a617274656661637473.pbo-dpb.ca/48014b51a8f869dfb0ecc9163f1989c560c107cc3aa9d29a8dd1a40c0e73a664>



A key reason for the massive increase in government spending is that the federal government increases its projected level of spending every time it tables a budget or fiscal update. The figure below illustrates this point by outlining how 2023 projected spending was ratcheted up every time the government released a budget or fiscal update. For example, the 2019 budget projected 2023 spending to be \$402.2 billion.³ The PBO now expects 2023 spending to be \$498.1 billion.⁴ That ratchet effect means the Trudeau government will spend \$96 billion more than it originally planned to spend.

Figure: Ratchet effect, projected spending for 2023 (billions \$)



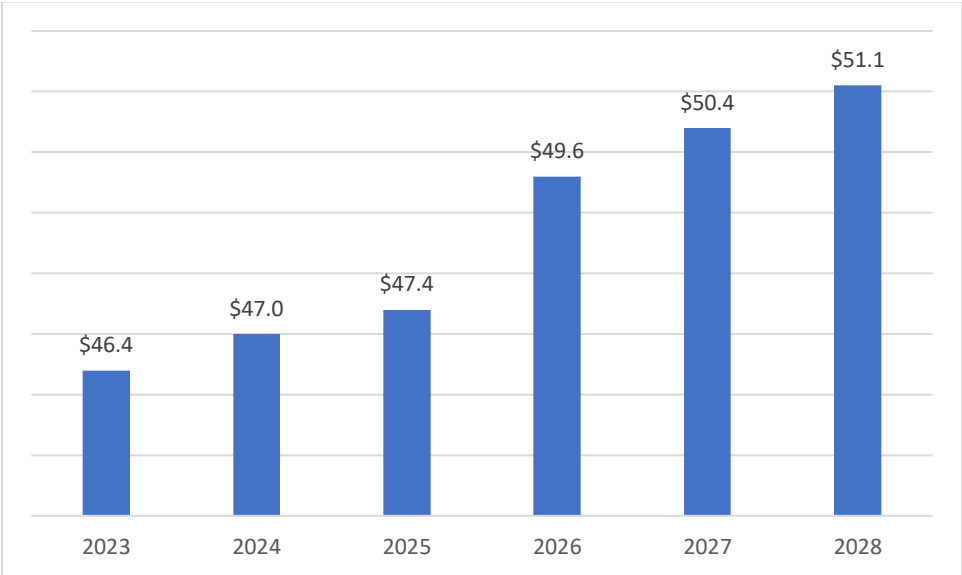
³ Government of Canada, Budget 2019, <https://www.budget.canada.ca/2019/docs/plan/budget-2019-en.pdf>

⁴ Parliamentary Budget Officer, Fiscal and Economic Update October 2023, <https://distribution-a617274656661637473.pbo-dpb.ca/48014b51a8f869dfb0ecc9163f1989c560c107cc3aa9d29a8dd1a40c0e73a664>

If the government simply spent what it said it would spend in its 2021 budget, it would balance the budget next year (2024-25).

Instead, the government is running up more debt, which means more money wasted on interest charges. This year alone interest charges will cost taxpayers almost \$4 billion a month. That's a cost of more than \$1,000 per Canadian this year.⁵ As the figure below illustrates, interest charges will continue to cost taxpayers tens of billions of dollars every year.⁶

Figure: Interest charges (billions \$)



Without course correction, Canadian taxpayers are set to lose out on hundreds of billions of dollars in interest charges over the next few decades.

Using the supplementary data published with the PBO's Fiscal Sustainability Report 2023,⁷ the Canadian Taxpayers Federation's analysis shows the federal government won't balance its budget until 2035.⁸ However, the federal government needs the following conditions to materialize to balance the budget by 2035:

⁵ This year's interest charges retrieved from Parliamentary Budget Officer: <https://distribution-a617274656661637473.pbo-dpb.ca/48014b51a8f869dfb0ecc9163f1989c560c107cc3aa9d29a8dd1a40c0e73a664>; Population figures retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2018005-eng.htm>

⁶ Parliamentary Budget Officer, Fiscal and Economic Update October 2023, <https://distribution-a617274656661637473.pbo-dpb.ca/48014b51a8f869dfb0ecc9163f1989c560c107cc3aa9d29a8dd1a40c0e73a664>

⁷ Parliamentary Budget Officer, Fiscal Sustainability Report 2023, <https://www.pbo-dpb.ca/en/publications/RP-2324-011-S--fiscal-sustainability-report-2023--rapport-viabilite-financiere-2023>

⁸ Canadian Taxpayers Federation, "\$487 billion in debt interest charges before feds balance the budget," <https://www.taxpayer.com/newsroom/-487-billion-in-debt-interest-charges-before-feds-balance-the-budget>

- Uninterrupted nominal GDP growth of four per cent per year and steady real GDP growth of two per cent per year;
- Average annual interest rate of 2.8 per cent, which is lower than interest rates were any year between 1991 and 2014.⁹ The current effective interest rate charged on the government’s debt is 1.7 per cent; and,
- No new spending announcements beyond what is included in Budget 2023. However, Finance Minister Chrystia Freeland already acknowledged that Budget 2023 doesn’t include everything the Liberals promised in last year’s election. “We will do more things over the next three budgets,” said Freeland.¹⁰

The table below shows the government’s projected budgetary balance until 2035.

Table: Projected budgetary balance 2023-2035

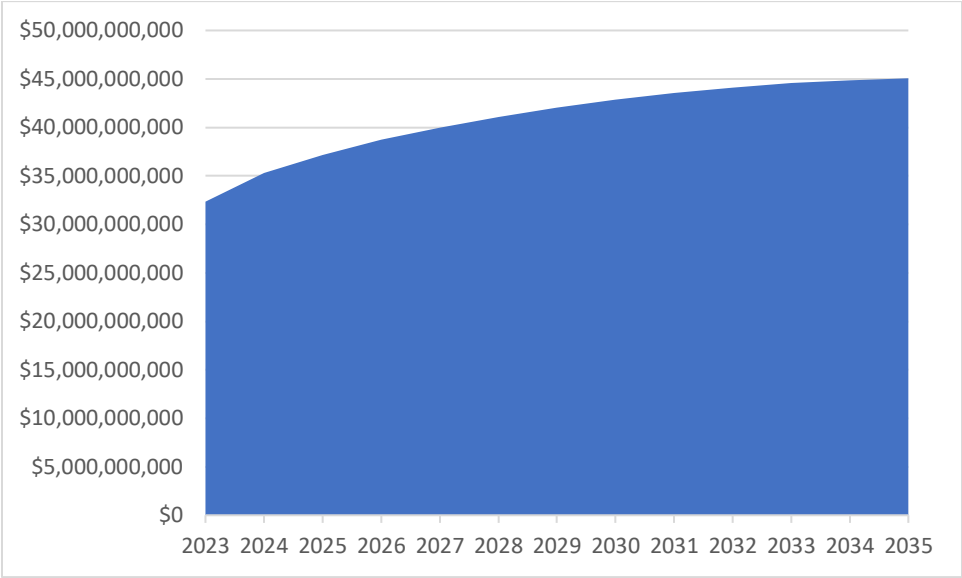
Year	Total revenue (millions)	Total spending (millions)	Budgetary balance (millions)	Interest charges (millions)
2023	\$438,501	\$455,010	-\$16,510	\$32,355
2024	\$465,517	\$475,753	-\$10,236	\$35,333
2025	\$485,345	\$496,457	-\$11,112	\$37,187
2026	\$509,117	\$515,377	-\$6,260	\$38,767
2027	\$530,263	\$541,057	-\$10,794	\$39,971
2028	\$552,568	\$562,498	-\$9,930	\$41,107
2029	\$574,185	\$583,683	-\$9,497	\$42,062
2030	\$596,454	\$605,072	-\$8,618	\$42,878
2031	\$619,723	\$626,762	-\$7,039	\$43,567
2032	\$643,819	\$648,908	-\$5,089	\$44,125
2033	\$668,701	\$671,574	-\$2,873	\$44,558
2034	\$694,303	\$694,795	-\$491	\$44,870
2035	\$720,688	\$718,525	\$2,162	\$45,065

Even if the federal government does finally balance the budget in 2035 thanks to relatively low interest rates and steady economic growth, interest charges on the government credit card will have cost taxpayers \$487 billion over those years.

⁹ Parliamentary Budget Officer, Fiscal Sustainability Report 2022, <https://www.pbo-dpb.ca/en/publications/RP-2223-012-S--fiscal-sustainability-report-2022--rapport-viabilite-financiere-2022>

¹⁰ Globe and Mail, “Federal budget earmarks \$56-billion in new spending, higher taxes as critics fear it will fuel inflation,” <https://www.theglobeandmail.com/canada/article-canada-federal-budget-2022-summary-spending-taxes-deficit/>

Figure: Federal debt interest charges, 2023-2035



Section 2: Balancing the budget

The table below shows the federal government’s current fiscal summary.

Table: Current projected fiscal summary (billions \$)¹¹

	2023	2024	2025	2026	2027	2028
Program spending	451.7	464.5	474.8	487.4	504.4	522.9
Interest charges	46.4	47	47.4	49.6	50.4	51.1
Actuarial losses ¹²	6.9	3.3	1.5	-1.2	0.4	-2.4
Total spending	505	514.9	523.7	535.8	555.2	571.6
Revenue	458.4	481.6	498.8	520.7	541.1	563.4
Deficit	-46.5	-33.2	-24.9	-15.1	-14.1	-8.2

As illustrated in Section 1, the government’s “ratchet effect” has resulted in a dramatic increase in spending. In fact, projected spending for 2023 is almost \$100 billion more than what it was originally projected in Budget 2019, as illustrated in the table below.

Table: Ratchet effect and increased spending

Budget 2019 projection for 2023 spending	\$402.2 billion
Current projection for 2023 spending	\$498.1 billion
Increase in 2023 spending	\$95.9 billion

In fact, the government would balance the budget and have a sizeable surplus if it brought its spending back to what it tabled in Budget 2021, which was published in the heart of the pandemic (Apr. 19, 2021).¹³ The table below shows the CTF’s recommended fiscal summary.

Table: CTF recommended fiscal summary (billions \$)

	2023	2024	2025
Program spending	409.2	414.4	426.7
Interest charges	46.4	47.0	47.4
Actuarial losses	6.9	3.3	1.5

¹¹ Parliamentary Budget Officer, Fiscal and Economic Update October 2023, <https://distribution-a617274656661637473.pbo-dpb.ca/48014b51a8f869dfb0ecc9163f1989c560c107cc3aa9d29a8dd1a40c0e73a664>

¹² According to the Public Accounts, “Net actuarial losses... reflect changes in the value of the government’s obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years.” Public Accounts 2022, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2022/pdf/2022-vol1-eng.pdf>

¹³ Budget 2021 spending projections are used because the government continued to ratchet up spending in every subsequent fiscal update and budget. The government would not balance the budget next year if it used spending projections from its 2022 or 2023 budgets.

Total spending ¹⁴	462.5	464.7	475.6
Revenue ¹⁵	458.4	475.5	492.4
Budgetary balance	-4.1	10.8	16.8

Budget 2021 spending projections are used because the government continued to ratchet up spending in every subsequent fiscal update and budget. The government would not balance the budget next year if it used spending projections from its 2022 or 2023 budgets given the CTF’s proposed tax cuts. The government would, however, balance the budget next year using its spending projection from Budget 2022 without the CTF’s proposed tax cuts.

Rather than adding another \$58 billion to the debt for future taxpayers to pay back, the CTF’s proposal would reduce the debt by more than \$27 billion by 2026. The table below shows the difference between the government’s current trajectory and the CTF’s proposal.

Table: Federal government trajectory vs. CTF proposal (billions \$)

	2024	2025	Total
CTF budgetary surplus	10.8	16.8	27.6
Government projected deficits	-33.2	-24.9	-58.1
Difference	44.0	41.7	85.7

The CTF’s fiscal summary is conservative as it uses the PBO’s forecasted debt servicing costs, which would be higher than under the CTF’s proposed spending that significantly reduces government borrowing. Using the PBO’s projected average effective interest rate over the time period,¹⁶ the CTF’s proposal would in reality save taxpayers \$2.2 billion by 2026 through lower federal debt interest charges. Those savings could be used to build two new hospitals based on the cost of constructing the Grande Prairie Regional Hospital.¹⁷

Recommendation: Balance the budget in 2024-25 by bringing program spending in line with Budget 2021 spending projections.

¹⁴ Program spending is copied from Budget 2021. Actuarial losses and interest charges are copied from the PBO’s most recent fiscal update, published in October 2023.

¹⁵ Revenue is copied from the PBO’s most recent fiscal update minus CTF’s proposed tax cuts.

¹⁶ Parliamentary Budget Officer, Fiscal Sustainability Report 2023, [https://www.pbo-dpb.ca/en/publications/RP-2324-011-S--fiscal-sustainability-report-2023--rapport-viabilite-financiere-2023#:~:text=Current%20fiscal%20policy%20at%20the,thereafter\)%20while%20maintaining%20fiscal%20sustainability](https://www.pbo-dpb.ca/en/publications/RP-2324-011-S--fiscal-sustainability-report-2023--rapport-viabilite-financiere-2023#:~:text=Current%20fiscal%20policy%20at%20the,thereafter)%20while%20maintaining%20fiscal%20sustainability)

¹⁷ CTV News, “First patients served at new Grande Prairie Regional Hospital,” <https://edmonton.ctvnews.ca/first-patients-served-at-new-grande-prairie-regional-hospital-1.5694022>

Section 3: Tax relief

Canadians need tax relief. Two in three Canadians think the amount they pay in income taxes is too high, according to a 2023 Leger poll.¹⁸ But instead of tax relief, the federal government has increased its carbon tax, payroll taxes, alcohol taxes and imposed a second carbon tax.

The Trudeau government claims that “families are going to be better off” with its carbon tax and rebate scheme.¹⁹ However, a PBO report shows this is incorrect. The carbon tax will cost the average household up to \$710 this year even after the rebates.²⁰ The table below highlights the net cost of the carbon tax to the average family this year, according to the PBO.

Table: Net cost of carbon tax (total cost – rebates) for average household

Province	Carbon tax cost to family, 2023
Alberta	\$710
Saskatchewan	\$410
Manitoba	\$386
Ontario	\$478
Nova Scotia	\$431
Prince Edward Island	\$465
Newfoundland and Labrador	\$347

As the carbon tax increases to nearly 40 cents per litre by 2030, so will the cost to Canadian families. Furthermore, the government imposed a second carbon tax through fuel regulations. The PBO estimates that when the fuel regulations are fully implemented in 2030, they will cost the average family up to \$1,100.²¹ That means that by 2030, the two carbon taxes will cost the average family more than \$2,000 every year. The table below shows the cost of the two carbon taxes in 2030.

Table: Cost of the two carbon taxes in 2030 for the average household

Province	Carbon tax	Second carbon tax	Total annual cost
Alberta	\$2,773	\$1,157	\$3,930
Saskatchewan	\$1,723	\$1,117	\$2,840

¹⁸ Montreal Economic Institute, “A majority of Canadians think Ottawa spends too much,” <https://www.iedm.org/tax-in-canada-2023-ipsos-poll-commissioned-by-the-mei/>

¹⁹ Toronto Star, Federal government rebates to Ontarians will outweigh costs from carbon tax, official says, <https://www.thestar.com/politics/federal/2018/10/23/federal-government-rebates-to-ontarians-will-outweigh-costs-from-carbon-tax-official-says.html>

²⁰ Parliamentary Budget Officer, “A Distributional Analysis of the Federal Fuel Charge under the 2030 Emissions Reduction Plan,” <https://distribution-a617274656661637473.pbo-dpb.ca/7590f619bb5d3b769ce09bdbc7c1ccce75ccd8b1bcfb506fc601a2409640bfdd>

²¹ Parliamentary Budget Officer, “A Distributional Analysis of the Clean Fuel Regulations,” <https://distribution-a617274656661637473.pbo-dpb.ca/e884599e101a53a3388d8c69884637f349b215fa483ca0089301ecb897da02b1>

Manitoba	\$1,490	\$611	\$2,101
Ontario	\$1,820	\$495	\$2,315
Nova Scotia	\$1,513	\$635	\$2,148
Prince Edward Island	\$1,521	\$569	\$2,090
Newfoundland and Labrador	\$1,316	\$850	\$2,166

The government is also taking more money from workers' paycheques with its payroll tax hikes.

If taxpayers make \$66,600 or more this year, the federal government is taking \$4,756 directly through its CPP and EI taxes.²² Every employer must also cough up an extra \$5,157. That's almost \$10,000 that a working mom could have used to buy formula, ground beef or pay for dental bills this year, but instead her and her employer have to fork it over to the federal government.

This year, the annual payroll tax bill, including employer and employee payments, increased by \$630 for each middle-class worker. Over the past decade, it increased by \$2,870.²³

The federal government increased alcohol taxes four times since the beginning of 2020. Taxes in Canada make up about half of the price of beer, 65 per cent of the price of wine and more than three quarters of the price of spirits.

In addition to these tax increases, the government's recent budgets include a luxury tax, higher taxes on banks and insurers, an anti-flipping tax, a digital services tax and a tax on non-residents.

There have also been calls for new taxes on homes,²⁴ along with a wealth tax, so-called excess profits tax, along with higher business and capital gains taxes.²⁵

A home equity tax would be particularly painful for many Canadians who rely on the sale of their home to fund their retirement years and for younger Canadians looking to upgrade their

²² Canadian Taxpayers Federation, 2023 New Year's Tax Changes, <https://www.taxpayer.com/media/2023-nytc-report-ctf.pdf>

²³ CPP payments are found here: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/canada-pension-plan-cpp/cpp-contribution-rates-maximums-exemptions.html>; EI payments are found here: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/employment-insurance-ei/ei-premium-rates-maximums.html>

²⁴ Generation Squeeze, "Wealth and the Problem of Housing Inequity across Generations," https://d3n8a8pro7vhmx.cloudfront.net/gensqueeze/pages/6403/attachments/original/1639772589/GenSqueeze_Nov26.dat?1639772589

²⁵ NDP, "Ready for Better: New Democrats' Commitments to You," http://xfer.ndp.ca/2021/Commitments/Ready%20for%20Better%20-%20NDP%202021%20commitments.pdf?_gl=1*1af21ny*_ga*OTczNjM4NjY3LjE2Mjg3Nzc5Mjk.*_ga_97QLYMLC56*MTYyODc3NzkyOC4xLjEuMTYyODc3ODIyOS4w

starter home to a family home. The CTF estimates that a home equity tax would cost a family that bought their home in 1980 for \$250,000 and are looking to sell it today for \$1.2 million between \$51,750 and \$190,000, depending on the home equity tax proposal.²⁶ While both the Conservatives and Liberals told Canadians they would not be imposing a home equity tax, taxpayers expect concrete action, not just words. If politicians truly want to reassure taxpayers that there is no home equity tax coming, they need to remove the requirement for Canadians to report the sale of their home with the Canada Revenue Agency.²⁷

The CTF is calling on the federal government to reverse its pandemic tax increases and reject future tax hikes.

While Ottawa has increased taxes, the CTF identified 51 other national governments that provided tax relief during the pandemic or to ease the burdens of inflation. National governments that provided tax relief include more than half of the G7 and G20 countries and two-thirds of the countries in the Organisation for Economic Co-operation and Development.²⁸

A total of 25 countries cut gas taxes, 15 countries cut energy taxes, 18 countries cut consumption taxes, eight countries cut income taxes and 11 countries cut business taxes. A number of countries reduced multiple taxes.

In addition to the 51 national governments that cut taxes, provincial governments such as Alberta, Ontario and Newfoundland and Labrador cut fuel taxes. The newly elected Manitoba government has also promised fuel tax relief.

As illustrated in the previous section, the federal government would balance the budget in 2024 by bringing its program spending in line with Budget 2021 projections. Under the CTF's proposals, the annual average surplus over the next two years would be almost \$14 billion. That means the government can balance the budget, provide meaningful tax relief and pay down debt. Options for tax relief include:

- Cut the GST by one percentage point and reduce the debt by about \$3 billion annually; or,
- Cut the lowest income tax rate by two percentage points and reduce the debt by about \$3 billion annually.²⁹

²⁶ Canadian Taxpayers Federation, "Taxpayers Federation calculates cost of home equity tax," <https://www.taxpayer.com/newsroom/taxpayers-federation-calculates-cost-of-home-equity-tax>

²⁷ Government of Canada, "Reporting the sale of your principal residence for individuals (other than trusts)," <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/federal-government-budgets/budget-2016-growing-middle-class/reporting-sale-your-principal-residence-individuals.html?fbclid=IwAR3UpEbnoafX448QO6zFPYcsWytMI2ejQnT4tjzpkzFzKZexaC15-LuXU8g>

²⁸ Canadian Taxpayers Federation, 51 other national governments cut taxes, <https://www.taxpayer.com/media/Global-Tax-Relief-Report.pdf>

²⁹ Tax relief revenue estimates from Parliamentary Budget Officer's "Ready Reckoner" tool: <https://www.pbo-dpb.ca/en/research--recherches/tools--outils/ready-reckoner--simulateur-budgetaire/index>

The CTF identified about \$6 billion worth of tax credits to businesses. The CTF recommends eliminating these niche tax credits and using the money to eliminate the small business tax.

Recommendation: Reverse all pandemic tax hikes, including the alcohol tax, payroll taxes, and scrap the two carbon taxes.

Recommendation: Reject future tax hikes, such as (but not limited to) a home equity tax, an annual surtax on homes, wealth tax, excess profits tax, luxury taxes, fat, sugar and meat taxes.

Recommendation: Remove the requirement to report the sale of your home with the Canada Revenue Agency.

Recommendation: End the escalator tax on alcohol.

Recommendation: Use part of the recommended annual surpluses to cut taxes. Using the CTF's proposal, the government could:

- Cut the GST by one percentage point and reduce the debt by about \$3 billion annually; or,
- Cut the lowest income tax rate by two percentage points and reduce the debt by about \$3 billion annually.

Recommendation: End the business tax credits and use the money to eliminate the small business tax.

Section 4: Specific spending cuts

The CTF identified about \$21 billion in annual savings. The CTF also identified up to \$91 billion in potential one-time savings. The savings are illustrated in the table below. In addition to these specific reductions, the CTF is calling on the government to find additional savings through a comprehensive spending review similar to the Chrétien government's review in the 1990s.

Table: Potential federal government savings

Savings	Annual	One-time
Member of Parliament	\$3,550,600	
Governor General	\$16,916,657	
Senate	\$25,472,008	
Bureaucracy	\$11,657,091,340	
Corporate welfare		\$57,145,966,667
Regional Development Agencies	\$1,887,969,738	
Crown corporations	\$1,964,124,000	
Canada Infrastructure Bank		\$25,300,000,000
VIA Rail	\$491,375,000	
NCC	\$79,865,500	
Telefilm Canada	\$151,229,000	
Canada Post		\$6,300,000,000
CBC	\$1,240,014,000	
Media bailout	\$147,000,000	
Equalization	\$3,733,300,000	
Gun ban and buyback		\$2,647,000,000
Political Contributions Tax Credit	\$25,000,000	
Election reimbursements		\$69,900,000
Total	\$21,422,907,842	\$91,462,866,667

The CTF recognizes that total saving through areas such as corporate welfare may be smaller as some of the funds may have already been spent. The table above should be considered a best estimate based on publicly available data. The CTF also recommends the government establish an across-the-board spending review to find additional savings, similar to what was successfully achieved in the 1990s.

1. Leadership at the top – members of Parliament

For MPs to effectively sell savings to government departments, they will need to earn moral authority by tightening their own belts.

MPs haven't continued to increase their own salary even during the pandemic and as taxpayers struggled with the increasing cost of living. MPs have given themselves four pay raises since the beginning of 2020. The MP pay raises range between an extra \$15,700 for a backbencher to an extra \$31,400 for the prime minister. The salaries of MPs and their pay hikes are highlighted in the table below.

Table: Politician pay raises since 2020

Position	Pre-COVID salary	Current salary	Total pay raise
Senator	\$153,900	\$169,600	\$15,700
MP	\$178,900	\$194,600	\$15,700
Minister	\$264,400	\$287,400	\$23,000
Prime minister	\$357,800	\$389,200	\$31,400

MPs get pay raises each year on April 1, based on the average annual base-rate increase in private-sector union contracts with corporations that have 500 or more employees.³⁰ The federal government stopped the automatic pay raises between 2010 and 2013 in response to the 2008-09 recession.³¹

In addition to bigger salaries, Prime Minister Justin Trudeau also increased the number of cabinet ministers.³² In fact, the salary cost of this cabinet, at the current salary rate, is \$11 million per year, which is almost \$3.5 million more than the cabinet Trudeau appointed in 2015. The annual salary cost of Trudeau's cabinets is illustrated in the table below.³³

Table: Annual salary cost of Trudeau's cabinets

Year	Number of ministers (not including prime minister)	Minister's salary	Prime Minister's salary	Salary cost of cabinet

³⁰ Government of Canada, "Parliament of Canada Act," <https://laws-lois.justice.gc.ca/eng/acts/p-1/index.html>

³¹ Marieke Walsh, "Liberals mum, as Tories, NDP say they would support MP pay freeze," The Globe and Mail, <https://www.theglobeandmail.com/politics/article-liberals-mum-as-tories-ndp-say-they-would-support-mp-pay-freeze/>

³² Prime Minister's Office, "Prime Minister announces changes to the Ministry," <https://www.pm.gc.ca/en/news/news-releases/2023/07/26/prime-minister-announces-changes-ministry>

³³ Canadian Taxpayers Federation, "Salary costs for cabinet increase by \$3 million since 2015," <https://www.taxpayer.com/newsroom/salary-costs-for-cabinet-increase-by-3-million-since-2015>

2015	30	\$247,500	\$334,800	\$7,759,800
2019	36	\$264,400	\$357,800	\$9,876,200
2021	38	\$274,500	\$371,600	\$10,802,600
2023	38	\$287,400	\$389,200	\$11,310,400

A fundamental rethink of MPs’ retirement perks is also needed.

At \$194,600, the base salary for an MP is significantly higher than the average annual salary among full time Canadian workers, which was \$64,000 in 2022, according to Statistics Canada.³⁴ In fact, the average Canadian must work three years to earn the base salary of an MP. There is also little evidence to suggest MPs – who are fired or do not seek re-election – have a more difficult time finding a new job or career than the average Canadian. Yet, MPs take golden post-retirement packages.

For example, an MP that serves for less than six years is automatically eligible for a severance, worth half of their annual salary. At the current rate, that severance would amount to \$97,300 – still more than the average annual salary in Canada. Severances following the last election cost taxpayers \$3.3 million.³⁵ Ten former MPs received the full severance, despite serving for less than two years.

In addition to the severance, former MPs can tap into a \$15,000 transition support slush fund used for education, professional development, office supplies, long-distance phone calls or up to four roundtrips within Canada. Since 2019, at least 12 ex-MPs have tapped into the fund for education and professional development, expensing a total of \$90,303 to taxpayers. And just because other departing MPs didn’t use it for education or training, it doesn’t mean they didn’t tap into \$15,000 available to them for the other purposes.

A Canadian Taxpayers Federation analysis shows that through the slush fund, taxpayers paid for formers MPs to attend Harvard, Cornell, McGill, the Rotman School of Management, and more. The analysis also shows that many MPs landed back on their feet after leaving elected office in Ottawa. Former MPs became senior advisors, provincial politicians and mayors.³⁶

Recommendation: Return politician pay to pre-COVID levels.

Recommendation: Reduce the size of cabinet to 2015 levels under Trudeau, saving taxpayers \$3.5 million annually.

³⁴ Statistics Canada, “Employee wages by Industry, annual,” <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410006401>
³⁵ Canadian Taxpayers Federation, Severance and Pension calculations 2021 election, <https://www.taxpayer.com/media/2021-MP-Pension-Severance-CTF.pdf>
³⁶ Canadian Taxpayers Federation, “Ex-MPs bill taxpayers for ivy league education,” <https://www.taxpayer.com/newsroom/ex-mps-bill-taxpayers-for-ivy-league-education>

Recommendations: Reform retirement benefits by scrapping the MP severance and transition support slush fund.

2. Leadership at the top – Governor General

Salary and perks for governors general should have been reined in long ago.

Similar to MPs, the governor general also takes a salary increase every year. Since the beginning of the pandemic, the governor general’s salary increased by \$48,800 to \$351,600. The table below highlights the governor general’s annual salary increases.

Table: Governor General’s annual salary³⁷

Year	Salary
2023	\$351,600
2022	\$342,100
2021	\$328,700
2020	\$310,100
2019	\$302,800

In fact, the governor general’s pay has increased every single year since 2013 (when a new pay structure was introduced which taxed their salary) and has increased by \$31,512 between 2013 and 2019.³⁸ This taxpayer-funded salary puts the governor general comfortably in the top one per cent of all Canadian income earners.³⁹

In addition to the high salary, governors general also receive post-retirement benefits that are unheard of for most Canadians. Former governors general are eligible for the full pension regardless of how long they serve in the role. Even though Julie Payette only served for a little more than three years, she will still receive an estimated \$4.8 million if she continues to collect the governor general pension to age 90. The table below shows how much money each living former governor general will receive through their taxpayer funded pension if they continue to collect payments until age 90.

Table: Pension payments for former governors general⁴⁰

Governor General	Pension to age 90
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³⁷ Details of annual salary obtained by the Canadian Taxpayers Federation from the Privy Council Office.

³⁸ Library of Parliament, “Indemnities, Salaries and Allowances,”

https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries

³⁹ Statistics Canada, “High income tax filers in Canada,”

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110005501&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=3.3&cubeTimeFrame.startYear=2015&cubeTimeFrame.endYear=2019&referencePeriods=20150101%2C20190101>

⁴⁰ Canadian Taxpayers Federation, “Pensions for former governors general cost more than \$18 million,”

<https://www.taxpayer.com/newsroom/pensions-for-former-governors-general-cost-taxpayers-more-than-18-million>

Edward Schreyer (2000 to age 90)	\$3.4 million
Adrienne Clarkson	\$3.2 million
Michaëlle Jean	\$5.4 million
David Johnston	\$1.9 million
Julie Payette	\$4.8 million
Total	\$18.7 million

On top of the annual pension, former governors general can expense taxpayers for \$206,040 per year for the rest of their lives and up to six months after their death. With the five former governors general, the expense account could cost taxpayers up to \$1 million every year.⁴¹

Substantial amount of waste at Rideau Hall has come to light since the news first broke that the governor general and her 30-person entourage spent almost \$100,000 on in-flight catering during a week-long trip to Expo 2020 in Dubai. Some of the most outrageous examples include:

- Meals on airplanes include beef Wellington, carpaccio, stuff pork tenderloin, \$230 in flower arrangements, hundreds of dollars on lemons and limes, among others.⁴²
- The week-long trip to the Middle East cost about \$1.3 million.⁴³
- The four-day visit to Germany cost taxpayers \$700,000 and included \$103,000 in in-flight catering costs.⁴⁴
- The governor general spent \$71,000 at “Icelimo Luxury Travel” during a four-day trip to Iceland, which cost taxpayers a total of \$298,000.⁴⁵
- The governor general’s travel during her first year in office cost taxpayers almost \$3 million.⁴⁶
- Governors general can bill taxpayers up to \$130,000 on clothes over their five-year term. Current Governor General Mary Simon and her predecessor, Julie Payette, combined to bill taxpayers for more than \$88,000 in clothing purchases since 2017.⁴⁷

⁴¹ Canadian Taxpayers Federation, “Former governor generals allowed to bill Canadians beyond the grave,” <https://www.taxpayer.com/newsroom/former-governor-generals-allowed-to-bill-canadians-beyond-the-grave>

⁴² National Post, “Beef Wellington, \$230 flowers: More details on how Governor General spent \$99K on catering,” <https://nationalpost.com/news/politics/beef-wellington-230-flowers-more-details-on-how-the-governor-general-spent-99k-on-a-middle-east-trip>

⁴³ National Post, “Governor General’s week-long Middle East trip cost taxpayers \$1.3 million,” <https://nationalpost.com/news/governor-general-trip-cost-taxpayers-1-3-million>

⁴⁴ National Post, “Governor General’s four-day visit to Germany with 32 guests cost taxpayers \$700K,” <https://nationalpost.com/news/governor-general-germany-visit-cost-700k>

⁴⁵ National Post, “Governor General expensed \$71,000 in limo fees for four-day Iceland trip in 2022,” <https://nationalpost.com/news/71k-in-limo-service-for-governor-generals-2022-four-day-iceland-trip>

⁴⁶ National Post, “Governor General spent \$3 million in travel during first full year in office,” <https://nationalpost.com/news/governor-general-spent-3-million-in-travel-2022>

⁴⁷ National Post, “Governors general billed over \$88,000 in clothing to taxpayers since 2017: documents,” <https://nationalpost.com/news/politics/governors-general-billed-over-88000-in-clothing-to-taxpayers-since-2017-documents>

- The governor general's office spent \$117,000 on professional dry-cleaning services since 2018, despite having staff dedicated to doing the laundry. That works out to more than \$1,800 per month spent on dry cleaning.⁴⁸

Considering the extravagance and the wasteful spending, three meaningful reforms must occur.

First, all receipts must be posted online, and Rideau Hall should be subject to transparency legislation. As the Post explained, "the Office of the Secretary to the Governor General is not subject to access-to-information requests."⁴⁹ That needs to change. Rideau Hall's annual budget costs Canadian taxpayers more than \$30 million every year so it should be required to be fully transparent with taxpayers and follow the same transparency requirements as any other government department. Perhaps bureaucrats would think twice about splurging on beef Wellington if they knew taxpayers would inevitably see the bill.

Second, the federal government should end foreign travel aside from trips directly associated with the monarchy. As the King's representative in Canada, taxpayers shouldn't be paying for the governor general to fly to conferences in other countries (other than the United Kingdom). This is especially the case as Canadians already pay for a diplomatic service.

Third, there should be across the board cuts to the governor general's budget. Rideau Hall's annual budget is currently about \$34 million.⁵⁰ A full review of each spending decision is needed and must be justified. At minimum, MPs should look to cut 50 per cent of the annual budget, saving taxpayers about \$17 million annually.

Recommendation: Reverse the pandemic pay raise and reduce the salary of the governor general to the pre-pandemic salary of cabinet ministers, which is \$264,400.

Recommendation: Scrap the expense account for former governors general.

Recommendation: Turn the annual lifetime pensions to an RRSP-style pension payment for years served.

Recommendation: End the clothing allowance and prohibit expensing dry cleaning for the governor general and staff's clothing.

⁴⁸ National Post, "Governor General's office has spent over \$117K on dry cleaning since 2018: report,"

<https://nationalpost.com/news/governor-general-dry-cleaning-taxpayer>

⁴⁹ National Post, "Expense program for former governors general has caused concern for two decades, Trudeau told in briefing note,"

https://nationalpost.com/news/politics/expense-program-for-former-governors-general-has-caused-concern-for-two-decades-trudeau-told-in-briefing-note?_gl=1*125mgv9*_ga*ODg0Mjk0MDAwLjE2OTU5MDUwNDM.*_ga_72QH41ZTMR*MTY5Njk0NjQ4NC41LjEuMTY5Njk0NjUxNi4yOC4wLjA.&_ga=2.86975192.1724108223.1696946484-884294000.1695905043

⁵⁰ Office of the Secretary to the Governor General, Financial statements 2021-22,

https://www.gg.ca/sites/default/files/media/the_office/AR_RA/2021-2022-osgg-financialstatements.pdf

Recommendation: Subject the Office of the Governor General to transparency legislation.

Recommendation: End foreign travel outside of Canada, except for travel to the United Kingdom directly associated with the monarchy.

Recommendation: Conduct a full spending review of Rideau Hall, requiring each and every spending decision to be justified. At minimum, MPs should look to cut 50 per cent of the annual budget, saving taxpayers about \$17 million annually.

3. Leadership at the top – Senators

Senators also took four pay raises since the beginning of 2020. Prior to the pandemic, the base salary for a senator was \$153,900. A senator’s base salary is now \$169,600. All senators are set to receive another pay raise on April 1, 2024.

The cost of running the Senate has ballooned under the Trudeau government. The inflation-adjusted cost of the senate has increased by \$25 million, or almost 22 per cent, between 2015-16 and 2021-22, which is the last year where actual spending is published in financial statements. Planned spending is also expected to increase another four per cent this year.⁵¹

Labour costs are a significant cost driver of the Senate’s budget, making up more than 75 per cent of its budget.⁵² The “salaries and benefits” paid out by the Senate have also increased by almost \$17 million, or 22 per cent since 2015.⁵³

Recommendation: Return the Senate’s inflation-adjusted spending to its 2015-16 levels, saving taxpayers at least \$25 million every year.

⁵¹ Senate of Canada, Financial Reports, <https://sencanada.ca/en/ProActive/>

⁵² Labour costs is defined as the total of “personnel” + “employee benefit plans” + “senators’ salaries” in its planned spending report: https://sencanada.ca/ProactiveDisclosure/ps/FinProc_RPT_Main%20Estimates_2023-2024_Proactive%20Disclosure_E_2023-02-16_Final.PDF

⁵³ Senate of Canada, Financial Reports, <https://sencanada.ca/en/ProActive/>

4. Taking air out of the ballooning bureaucracy

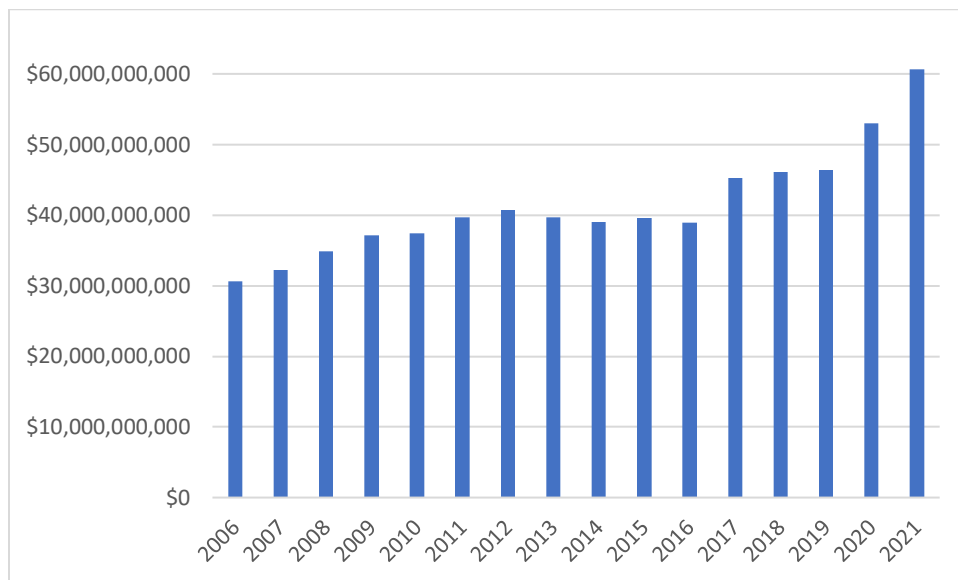
For the government to find savings and provide meaningful tax relief, it will need to take air out of its ballooning bureaucracy. That’s because more than half of the government’s day-to-day spending is consumed by the bureaucracy.

“Operating spending reflects the broad range of the day-to-day costs of government operations for departments and Crown corporations, of which spending on personnel accounted for 52.3 per cent,” according to the Parliamentary Budget Officer.⁵⁴

Taxpayers are paying more to fund the bureaucracy because of the surge in hiring, pay raises and bonuses. In total, labour costs have increased by 31 per cent over the past two years, according to the PBO.

The PBO publishes the federal government’s total labour costs between 2006 and 2021 online through its *Personnel Expenditure Analysis Tool*.⁵⁵ Since 2006, the government’s labour cost has increased by \$30 billion or 98 per cent, as illustrated in the figure below.

Figure: Federal government labour costs



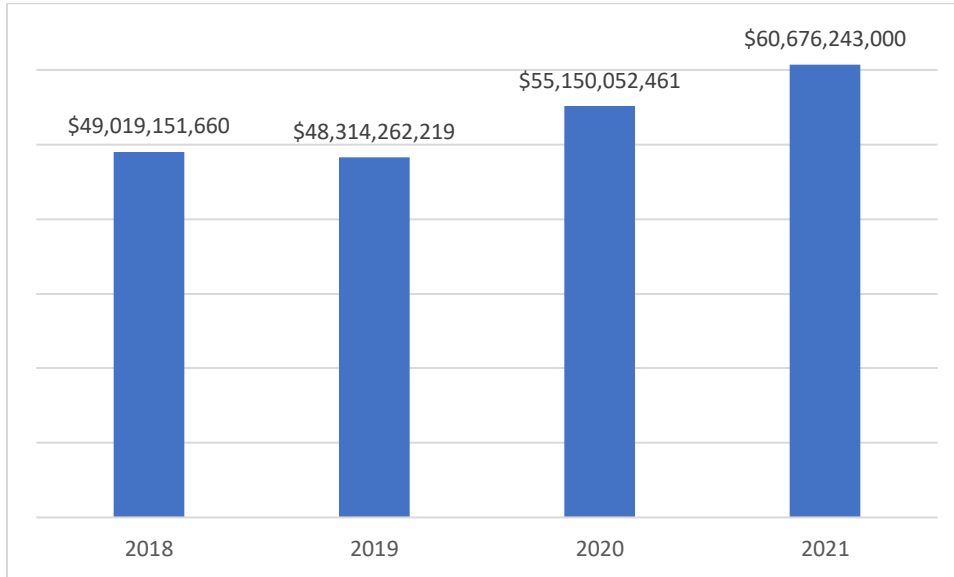
The federal government’s labour costs have ballooned rapidly in recent years. Between 2018 – the last full budget year before the pandemic – and 2021, the government’s inflation-adjusted

⁵⁴ Parliamentary Budget Officer, “Personnel Expenditure Analysis, April 2023, <https://distribution-a617274656661637473.pbo-dpb.ca/b6aaf0274b613d1d86debb6e038f8794194733225f5dc2b4bc99f712c6c6f343>

⁵⁵ Parliamentary Budget Officer, “Personnel Expenditure Analysis Tool,” <https://www.pbo-dpb.ca/en/research-recherches/tools--outils/personnel-expenditure-analysis-tool--outil-examen-depenses-personnel/index#/personnel-breakdown--repartition-personnel>

labour costs increased by almost \$11.7 billion or 24 per cent.⁵⁶ The figure below highlights this increase.

Figure: Federal government's labour costs (2021 \$)



A key reason for the massive increase in labour costs is the federal hiring spree that took place. As the figure below illustrates, the Trudeau government has hired 98,268 bureaucrats – an almost 40 per cent increase.⁵⁷

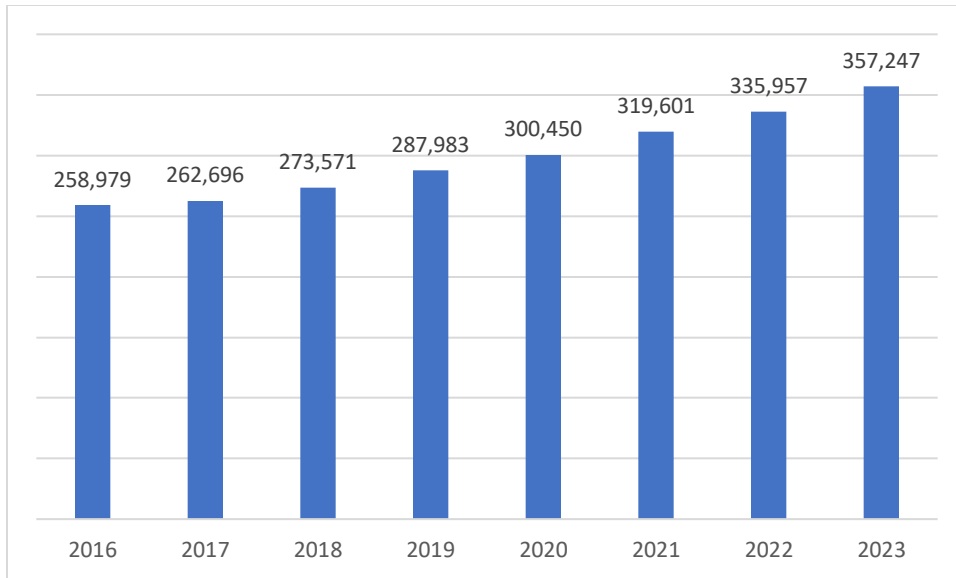
Table: Number of federal bureaucrats, March of each year

⁵⁶ Inflation adjusted to 2021 dollars using the Bank of Canada's inflation calculator:

<https://www.bankofcanada.ca/rates/related/inflation-calculator/>

⁵⁷ Treasury Board of Canada Secretariat, "Population of the Federal Public Service,"

<https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service.html>



Pay raises and bonuses also account for the bigger tax bill.

As the table below illustrates, the federal government handed out 802,043 raises to bureaucrats from 2020 to 2022. That means many bureaucrats received multiple pay raises since the beginning of 2020.⁵⁸

Table: Federal pay raises since 2020

Year	2020	2021	2022
# of employees receiving economic pay increase	258,596	151,247	29,436
# of employees receiving step pay increase	114,538	115,399	132,827
Total # of raises	373,134	266,646	162,263

There's also a greater number of higher paid federal government employees. Unlike the vast majority of provinces, the federal government does not have a sunshine list to disclose the salaries of its highest paid employees. Through access to information requests, the CTF received data on the number of federal employees that would be included on a federal sunshine list if it disclosed the salaries of employees receiving more than \$100,000 per year in salary, which is

⁵⁸ Access-to-information requests obtained by the Canadian Taxpayers Federation, "Feds hand out more than 800,000 raises in past three years," <https://www.taxpayer.com/newsroom/feds-hand-out-more-than-800,000-raises-in-past-three-years#:~:text=The%20federal%20government%20handed%20out,access%2Dto%2Dinformation%20request>.

presented in the table below. There are now 33,754 more employees receiving a six-figure salary than there were before the pandemic.⁵⁹

Table: Federal sunshine list

Year	Federal employees receiving \$100K+ annual salary
2015	43,424
2016	42,518
2017	61,165
2018	71,534
2019	69,007
2020	74,925
2021	114,433
2022	102,761

The federal government handed out \$1.3 billion in bonuses from 2015 to 2022, according to documents obtained by the Canadian Taxpayers Federation through an access-to-information request.⁶⁰ Government executives took home an average annual bonus ranging from \$15,550 to \$18,252 during those years.

Of the \$202 million paid out in 2022-23 so far, \$152 million was given to 8,328 executive-level employees, while the remaining \$50 million was earmarked for lower-level staff. The annual cost to taxpayers for federal bonuses has risen by 46 per cent since 2015, including the \$564 million in bonuses dished out since the onset of the COVID-19 pandemic.

The annual breakdown of bonuses is displayed in the table below.

Table: Federal government bonuses 2015 – 2022

Year	Executives who got a bonus	Average executive bonus	Total cost of bonuses
2015-16	90.5%	\$15,550	\$137,895,430
2016-17	90.6%	\$15,996	\$140,885,660
2017-18	90.5%	\$16,162	\$143,814,949
2018-19	90.8%	\$16,364	\$154,704,963
2019-20	90.0%	\$17,248	\$160,896,237

⁵⁹ Access to information requests obtained by the Canadian Taxpayers Federation, “102,761 federal bureaucrats took home more than \$100K in 2022,” <https://www.taxpayer.com/newsroom/102,761-federal-bureaucrats-took-home-more-than-100k-in-2022>

⁶⁰ Access-to-information requests obtained by the Canadian Taxpayers Federation, “Federal bonuses total \$1.3 billion since 2015,” <https://www.taxpayer.com/newsroom/federal-bonuses-total-1.3-billion-since-2015>

2020-21	89.1%	\$17,606	\$171,587,303
2021-22	88.7%	\$18,138	\$190,737,367
2022-23	88.9%	\$18,252	\$201,994,316
Total			\$1,302,516,225

About 90 per cent of government executives receive an annual bonus, despite a recent report from the PBO finding that “less than 50 per cent of [performance] targets are consistently met” each year.⁶¹ The government of Canada also publishes its own data summarizing department performance results. From 2018-19 through 2021-22, the bureaucracy met less than half of its own targets each year, as illustrated in the table below.⁶²

Table: Percentage of performance targets met each year

Year	Percentage of targets met
2018	46.0%
2019	48.6%
2020	45.6%
2021	49.8%

The compensation of government employees is also out of line with what their counterparts in the private sector earn.

“After controlling for factors like sex, age, marital status, education, tenure, size of firm, job permanence, immigrant status, industry, occupation, province, and city, the authors found that Canada’s government-sector workers (from federal, provincial, and local governments) enjoyed an 8.5 per cent wage premium, on average, over their private-sector counterparts in 2021,” according to a 2023 Fraser Institute report.⁶³

The Fraser Institute also found that government employees are more likely to receive a workplace pension, a defined benefit pension, retire earlier, have more job security and take more personal days than workers outside of government. The government of Quebec found that federal government employees in Quebec enjoy a 20.9 per cent compensation premium compared to similar workers who are employed by large businesses in Quebec.⁶⁴ The table

⁶¹ Parliamentary Budget Officer, “The Government’s Expenditure Plan and Main Estimates for 2023-24,” March 2023, <https://distribution-a617274656661637473.pbo-dpb.ca/bebf87487d1ff5ca83cf40817fc2a4d8f18632d0c9ba4e3e68e951fc41990f29>

⁶² Government of Canada, “Departmental Results Reports Summary (2018-19 to 2021-22),” [https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/results/..-\(panel_key.-.'gov_drr\)](https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/results/..-(panel_key.-.'gov_drr))

⁶³ Fraser Institute, “Comparing Government and Private Sector Compensation in Canada, 2023 Edition,” April 2023, <https://www.fraserinstitute.org/studies/comparing-government-and-private-sector-compensation-in-canada-2023>

⁶⁴ Government of Quebec, “Rémunération des salariés,” <https://statistique.quebec.ca/fr/fichier/remuneration-des-salaries-etat-et-evolution-compares-2021-faits-saillants.pdf>

below highlights the Fraser Institute’s key findings on the compensation gap between government employees and their counterparts outside of government.

Table: Government vs private sector on pay and benefits

Category	Business	Government
Salary differential		+8.5%
Workers with workplace pension	22.9%	86.6%
Workers with defined benefit pension	9.1%	78.5%
Lost work for personal days	9.8 days	14.9 days
Retirement		2.4 years earlier

The average compensation for each full-time federal employee is \$125,300 when pay, pension, paid time off, shift premiums and other benefits are considered, according to the PBO.⁶⁵ Meanwhile, data from Statistics Canada suggests the average annual salary among all full-time workers in 2022 was about \$64,000.⁶⁶

The CTF recommends bringing the federal government’s inflation-adjusted labour costs back to the last pre-pandemic year of 2018-19. That would save taxpayers almost \$11.7 billion annually. Because much of the cost increase should be associated with higher – and temporary – pandemic spending, significant savings should be achieved as the temporary increase in government spending ceases. Furthermore, inflation-adjusted 2018 labour spending levels had already increased 23 per cent higher than what they were in 2006, according to the PBO’s personnel spending tool.⁶⁷

Recommendation: Implement a sunshine list to disclose the salary of all federal employees who receive an annual salary that’s more than \$100,000.

Recommendation: Bring the government’s inflation-adjusted labour costs back to 2018 levels, which is the last full year before the pandemic. That would save taxpayers almost \$11.7 billion annually. Savings can be achieved through attrition, reversing the pandemic pay raises, ending bonuses, reducing the size of the bureaucracy or a combination of each.

⁶⁵ Parliamentary Budget Officer, “Personnel Expenditure Analysis, April 2023, <https://distribution-a617274656661637473.pbo-dpb.ca/b6aaf0274b613d1d86debb6e038f8794194733225f5dc2b4bc99f712c6c6f343>

⁶⁶ Statistics Canada, “Employee wages by industry, annual,” <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410006401>

⁶⁷ Parliamentary Budget Officer, “Personnel Expenditure Analysis Tool,” <https://www.pbo-dpb.ca/en/research--recherches/tools--outils/personnel-expenditure-analysis-tool--outil-examen-depenses-personnel/index#/personnel-breakdown--repartition-personnel>

5. Scrapping corporate welfare

While failing to offer broad-based tax relief, the federal government's recent economic strategy has been centred around corporate welfare. The table below highlights corporate welfare announcements identified by the CTF since 2017.

Company	Year	Cost
Quebec aerospace companies	2017	\$2,200,000
Honda	2017	\$41,800,000
Bombardier	2017	\$372,500,000
Alberta energy sector subsidies	2018	\$1,600,000,000
Toyota	2018	\$110,000,000
Electric vehicles	2019	\$300,000,000
Loblaws	2019	\$12,000,000
Ford Motor Company	2020	\$295,000,000
Air Canada	2021	\$5,879,000,000
Air Transat	2021	\$700,000,000
Porter Airlines	2021	\$270,500,000
Quebec aerospace companies	2021	\$440,000,000
Telesat	2021	\$1,440,000,000
LM Wind Power	2021	\$25,000,000
Algoma Steel	2021	\$420,000,000
Canadian Photonics Fabrication Centre	2021	\$90,000,000
Development and supply of semiconductors	2022	\$150,000,000
Canada Growth Fund	2022	\$15,000,000,000
Critical Minerals Strategy	2022	\$3,800,000,000
Canadian Innovation and Investment Agency	2022	\$1,000,000,000
Semiconductor industry	2022	\$45,000,000
Global Innovations Clusters	2022	\$750,000,000
Irving	2023	\$463,000,000
Volkswagen	2023	\$8,666,666,667
Stellantis	2023	\$10,000,000,000
Ford Motor Company	2023	\$322,000,000
Northvolt	2023	\$4,400,000,000
Umicore	2023	\$551,300,000
Total	2017-2023	\$57,145,966,667

The CTF calls on the federal government to cancel these corporate welfare subsidies and return as much money as possible to taxpayers.

Even this list of one-time corporate welfare spending is likely understating the true cost to taxpayers. A 2018 report from the University of Calgary estimated the federal government’s business subsidies totaled \$14 billion in 2014 alone.⁶⁸ The report also estimates that special taxpayer treatment for businesses at the federal level increased by six per cent between the 2015 and 2018 fiscal years.

Businesses can also receive special treatment through the tax system because of the convoluted privileges and boutique tax credits. The government’s 2023 *Report on Federal Tax Expenditures* identifies “over 200 different income tax and GST measures.”⁶⁹ Using this report, the CTF identified taxpayer costs totalling more than \$6 billion for 2024 from 10 tax credits that privilege certain businesses or industries. The table below highlights the business tax credits and their projected costs.

Table: Federal tax credits for business 2024

Tax Expenditures	Cost 2024
Corporate Mineral Exploration and Development Tax Credit	\$45,000,000
Scientific Research and Experimental Development Investment Tax credit	\$3,860,000,000
Atlantic Investment Tax Credit	\$225,000,000
Apprenticeship Job Creation Tax Credit	\$100,000,000
Rate reduction for zero-emission technology manufacturers	\$15,000,000
Logging Tax Credit	\$25,000,000
Carbon Capture, Utilization and Storage Investment Tax Credit	\$165,000,000
Canadian Film or Video Production Tax Credit	\$310,000,000
Film or Video Production Services Tax Credit	\$355,000,000
Investment Tax Credit for Clean Technologies	\$970,000,000
Total	\$6,070,000,000

⁶⁸ John Lester, “Business subsidies in Canada: Comprehensive estimates for the government of Canada and the four largest provinces,” University of Calgary, <https://www.policyschool.ca/wp-content/uploads/2018/01/Business-Subsidies-in-Canada-Lester.pdf>

⁶⁹ Department of Finance, 2023 Report on Federal Tax Expenditures, <https://www.canada.ca/content/dam/fin/publications/taxexp-depfisc/2023/taxexp-depfisc-23-eng.pdf>

For context, removing the cost of these annual tax credits would roughly equal the amount of revenue the federal government collects through its small business tax. The CTF recommends the federal government scrap these business tax credits and use the money to completely eliminate the small business tax.⁷⁰

Federal Crown corporations and government regional development agencies also provide subsidies to businesses, such as:

The Business Development Bank of Canada: BDC is a Crown corporation whose sole shareholder is the government of Canada. The BDC assists Canadian businesses through financing and advisory services. “To finance its objectives, BDC borrows funds from Her Majesty the Queen in Right of Canada acting through the Minister of Finance,” according to its 2021 annual report.⁷¹ According to the 2018 University of Calgary report noted above, the BDC provided an implicit subsidy to businesses of \$1.1 billion in 2014-15.⁷²

Export Development Canada: EDC is a crown corporation that provides equity, insurance and advisory services for Canadian exporters. In 2020, the EDC received “two capital injections” from the government of Canada totalling nearly \$11 billion.⁷³ According to EDC’s 2020 annual report, “all obligations under debt instruments we issue are obligations of Canada.”

Atlantic Canada Opportunities Agency: ACOA is a regional development agency that funds business ventures in Atlantic Canada through loans, equity financing, training, expert advice,⁷⁴ interest-free loans,⁷⁵ along with spending on “community projects” that “do not have to be repaid.”⁷⁶ The table below shows government funding to the ACOA between 2018 and 2021. The CTF assumes that ending the ACOA would save taxpayers \$443.5 million annually.⁷⁷

⁷⁰ Small business tax revenue projected by Parliamentary Budget Officer: <https://www.pbo-dpb.ca/en/research--recherches/tools--outils/ready-reckoner--simulateur-budgetaire/index>

⁷¹ BDC, “2021 Annual Report,” <https://www.bdc.ca/globalassets/digizuite/33122-bdc-annual-report-2021.pdf>

⁷² John Lester, “Business subsidies in Canada: Comprehensive estimates for the government of Canada and the four largest provinces,” University of Calgary, <https://www.policyschool.ca/wp-content/uploads/2018/01/Business-Subsidies-in-Canada-Lester.pdf>

⁷³ Export Development Canada, 2020 Annual Report, <https://www.edc.ca/content/dam/edc/en/corporate/corporate-reports/annual-reports/2020-annual-report.pdf>

⁷⁴ Government of Canada, Atlantic Canadian Opportunities Agency, Community Futures, <https://www.canada.ca/en/atlantic-canada-opportunities/services/community-futures.html>

⁷⁵ Government of Canada, Atlantic Canadian Opportunities Agency, Business Development Program, <https://www.canada.ca/en/atlantic-canada-opportunities/services/business-development-program.html>

⁷⁶ Government of Canada, Atlantic Canadian Opportunities Agency, Innovative Communities Fund, <https://www.canada.ca/en/atlantic-canada-opportunities/services/innovative-communities-fund.html>

⁷⁷ Government of Canada, Public Accounts 2022 Volume 2, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2022/pdf/2022-vol2-eng.pdf#page=314>

Table: Annual government funding to ACOA

	2018	2019	2020	2021⁷⁸
Government Funding	\$368,944,000	\$354,519,000	\$590,655,220	\$443,490,213

Canada Economic Development for Quebec regions: The regional economic development agency gives tax dollars to projects that target “entrepreneurial growth, innovation, diversification and local economic development.”⁷⁹ Funding is available for Quebec’s aerospace industry, fish and seafood processors, regional air transportation, tourism among others. Funding can include interest free loans,⁸⁰ and non-repayable financial assistance.⁸¹ The table below shows government funding to the CED Quebec between 2018 and 2021. The CTF assumes that ending the CED would save taxpayers \$443.8 million annually.⁸²

Table: Annual government funding for CED Quebec⁸³

	2018	2019	2020	2021
Government Funding	\$296,679,000	\$331,745,000	\$614,324,414	\$443,837,730

Canadian Northern Economic Development Agency: CanNor is the federal government’s regional development agency in the territories and supports the mining industry,⁸⁴ tourism, fishing, energy⁸⁵ and advisory services.⁸⁶ The table below shows the government funding to CanNor. The CTF assumes that ending CanNor would save taxpayers \$88.4 million annually.⁸⁷

⁷⁸ 2021 numbers are used as they are the most recently published data through public accounts.

⁷⁹ Government of Canada, Canada Economic Development for Quebec Regions, Funding, https://dec.canada.ca/en/funding/?postal_code=&organizations=&page=1&limit=0

⁸⁰ Government of Canada, Canada Economic Development for Quebec Regions, Canada Seafood Stabilization Fund – Quebec, <https://dec.canada.ca/en/funding/canada-seafood-stabilization-fund-quebec/>

⁸¹ Government of Canada, Canada Economic Development for Quebec Regions, Ecosystem of regional innovation, <https://dec.canada.ca/en/funding/ecosystem-of-regional-innovations/>

⁸² Government of Canada, Public Accounts 2022 Volume II, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2022/pdf/2022-vol2-eng.pdf#page=178>

⁸³ Note: CED Quebec was [transferred](#) to a different Ministry from the Ministry of Innovation, Science and Industry in the middle of the 2021-22 fiscal year. Due to not wanting to overstate totals, the CTF is only taking into account the expenditures listed under the new ministry (also called the Economic Development Agency of Canada for the Regions of Quebec).

⁸⁴ Government of Canada, Canadian Northern Economic Development Agency, Resource Development, <https://www.cannor.gc.ca/eng/1368816364402/1368816377148>

⁸⁵ Government of Canada, Canadian Northern Economic Development Agency, Community Development, <https://www.cannor.gc.ca/eng/1368816240563/1368816262134>

⁸⁶ Government of Canada, Canadian Northern Economic Development Agency, Business Development, <https://www.cannor.gc.ca/eng/1368815784186/1368815799374>

⁸⁷ Government of Canada, Public Accounts 2022 Volume II, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2022/pdf/2022-vol2-eng.pdf#page=314>

Table: Annual government funding for CanNor

	2018	2019	2020	2021
Government Funding	\$50,815,000	\$68,522,000	\$123,051,655	\$88,371,514

Federal Economic Development Agency for Southern Ontario: FedDev Ontario provides subsidies to Ontario businesses through interest-free loans,⁸⁸ funding for aerospace companies⁸⁹ and “major Canadian events and festivals,”⁹⁰ among other subsidies. The table below shows the government funding to FedDev Ontario. The CTF assumes that ending FedDev Ontario would save taxpayers \$400.1 million annually.⁹¹

Table: Annual government funding for FedDev Ontario

	2018	2019	2020	2021
Government Funding	\$242,602,000	\$267,828,000	\$692,746,495	\$400,115,480

Federal Economic Development Agency for Northern Ontario: FedNor provides consulting services,⁹² internship support,⁹³ and export support for businesses.⁹⁴ The annual government funding for the Federal Economic Development Agency for Northern Ontario was \$80.3 million in the most recent Public Accounts.⁹⁵ Due to it being created recently, there is no spending data from years prior.

Western Economic Diversification: Prairies Economic Development Canada and Pacific Economic Development Canada are two federal regional development agencies proposed in Budget 2021. Previously, the department of Western Economic Diversification carried out similar functions as described in the other RDAs.

⁸⁸ Government of Canada, FedDev Ontario, Business scale-up and productivity,

<http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/02466.html?OpenDocument>

⁸⁹ Government of Canada, FedDev Ontario, Aerospace Regional Recovery Initiative in southern Ontario,

http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/h_02656.html?OpenDocument

⁹⁰ Government of Canada, FedDev Ontario, Major Festivals and Events Support Initiative in southern Ontario,

http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/h_02661.html?OpenDocument

⁹¹ Government of Canada, Public Accounts 2022 Volume II, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2022/pdf/2022-vol2-eng.pdf#page=317>

⁹² Government of Canada, FedNor, Business Services, http://fednor.gc.ca/eic/site/fednor-fednor.nsf/eng/h_fn03880.html

⁹³ Government of Canada, FedNor, Business Financing, http://fednor.gc.ca/eic/site/fednor-fednor.nsf/eng/h_fn03886.html

⁹⁴ Government of Canada, FedNor, Business Services, http://fednor.gc.ca/eic/site/fednor-fednor.nsf/eng/h_fn03980.html

⁹⁵ Government of Canada, Public Accounts 2022 Volume II, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2022/pdf/2022-vol2-eng.pdf#page=302>

In the latest available Public Accounts for 2021-22, the Pacific Economic Development Agency of Canada is listed separately,⁹⁶ with expenditures of \$168,705,786. The Prairies Economic Development Agency received \$255,048,263, according to its financial statements.⁹⁷

The management of the prairie and pacific economic development portfolios was transferred out of WED’s purview in the 2021-22 fiscal year. Some of the totals may be restated due to this, so the CTF assumes the total savings from removing these agencies would simply be the total of PrairiesCan and PacifiCan’s 2021-22 government funding, which was \$431.8 million, as illustrated in the table below.

Table: Annual government funding Western Economic Development

	2018	2019	2020	2021
Government Funding	\$243,600,000	\$316,515,000	\$1,057,311,813	\$431,853,920

In total, the CTF estimates that ending Canada’s seven RDAs would save taxpayers almost \$1.9 billion annually.

Recommendation: Scrap all corporate welfare, including direct cash subsidies, niche tax credits, loans and loan guarantees.

Recommendation: End the federal subsidies to businesses through Crown corporations and regional development agencies. That would save at least \$1.9 billion annually.

Recommendation: Include minimum transparency requirements around corporate welfare such as the amounts disbursed or guaranteed, repayment schedule, amounts paid back, interest rates on loans, and frequent reporting on repayment. Parliament must also be required to vote on the subsidies before a business can receive any taxpayer funds.

⁹⁶ Government of Canada, Public Accounts 2022 Volume II, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2022/pdf/2022-vol2-eng.pdf#page=252>

⁹⁷ PrairiesCan, Financial Statement 2021-22, <https://www.canada.ca/content/dam/pedc-decp/documents/pedc-financial-statements-2021-2022-en.pdf#page=4>

6. Get out of the business of business

In addition to ending corporate welfare, the government should not be in the business of business. First, the CTF recommends cutting the aggregate appropriations, or government funding, to each Crown corporation by 25 per cent. While there may be arguments for reducing Crown budgets by varying amounts, the CTF is advocating for this overall level of savings to be found in annual aggregate appropriations to the government's Crown corporations, which would save taxpayers almost \$2 billion annually, according to the government's Consolidated Financial Information for Crown Corporations.⁹⁸

Table: Appropriations for Crown corporation and potential savings

Crown Corporation	Annual Government Funding
Atomic Energy of Canada Limited	\$1,008,769,000
Canada Council for the Arts	\$510,389,000
Canada Mortgage and Housing Corporation	\$4,141,361,000
Canadian Air Transport Security Authority	\$684,760,000
Canadian Dairy Commission	\$4,291,000
Canadian Commercial Corporation	\$13,000,000
Canadian Museum for Human Rights	\$31,355,000
Canadian Museum of History	\$85,869,000
Canadian Museum of Immigration at Pier 21	\$11,473,000
Canadian Museum of Nature	\$42,396,000
Canadian Race Relations Foundation	\$3,071,000
Destination Canada	\$121,160,000
Federal Bridge Corporation Limited	\$9,150,000
International Development Research Centre	\$148,611,000
Jacques-Cartier and Champlain Bridges Inc.	\$239,539,000

⁹⁸ Government of Canada, "Consolidated Financial Information for Crown Corporations (Annual Report 2021-2022; in thousands of dollars)," <https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/inventory-government-organizations/crown-corporations-financial-data/2021-2022-annual-report.html>

Marine Atlantic Inc.	\$131,503,000
National Arts Centre Corporation	\$84,171,000
National Gallery of Canada	\$56,240,000
Canada Science & Technology Museums Corp.	\$48,116,000
Standards Council of Canada	\$19,272,000
Windsor-Detroit Bridge Authority	\$462,000,000
Total government funding	\$7,856,496,000

After reducing the overall funding to Crown corporations by 25 per cent, the next step is for the government to outline a concrete plan to liquidate, defund or sell the following Crown corporations that can and should be done by businesses or other government entities⁹⁹:

Canada Infrastructure Bank: Parliamentary Budget Officer Yves Giroux noted in testimony to committee that the CIB had failed to attract any private sector investment.¹⁰⁰ Other experts noted that projects were stagnant, with Mary Van Buren, President of the Canadian Construction Association, describing the progress of CIB-funded projects as “pretty dismal right now.”¹⁰¹ In May 2022, the House of Commons Standing Committee on Transport, Infrastructure and Communities tabled a report with only one recommendation: that the Canada Infrastructure Bank be abolished.¹⁰² As of March 2023, the CIB has committed \$9.7 billion of its original \$35 billion to projects. Assuming the \$9.7 billion is not recoverable, abolishing the CIB would free up \$25.3 billion.¹⁰³

Via Rail: VIA Rail set a ridership record in 2019 and still lost more than \$400 million before taxpayer subsidies.¹⁰⁴ This Crown corporation already acts as a business by requiring customers to purchase tickets. The government should pull its funding from Via Rail and require all customers to pay the full price of the fare rather than push some of the cost on to taxpayers that do not use this service. Removing funding to Via Rail would save taxpayers \$491 million annually.

⁹⁹ The savings identified below are in addition to the aggregate savings presented above. The CTF’s prior calculation did not include the following Crown corporation and therefore does not include double counting.

¹⁰⁰ Parliamentary Budget Officer, Canada Infrastructure Bank: Status of investments up to 2020-21 Q3, <https://www.pbo-dpb.ca/en/additional-analyses--analyses-complementaires/BLOG-2021-015--canada-infrastructure-bank-status-investments-up-2020-21-q3--banque-infrastructure-canada-etat-investissements-jusqu-t3-2020-2021>

¹⁰¹ House of Commons Transportation Committee Report, <https://www.ourcommons.ca/DocumentViewer/en/44-1/TRAN/report-3/page-27>

¹⁰² House of Commons Transportation Committee Report Recommendation, <https://www.ourcommons.ca/DocumentViewer/en/44-1/TRAN/report-3/page-21>

¹⁰³ Legislative Review of the Canada Infrastructure Bank Act 2017-2022 – Report, <https://www.infrastructure.gc.ca/CIB-BIC/legislative-review-2017-2022-examen-loi-eng.html#Toc23>

¹⁰⁴ Via Rail, Annual Report 2019, https://media.viarail.ca/sites/default/files/publications/2019%20VIA%20RAIL%20AR_ENGLISH.pdf

National Capital Commission: The duties performed by the NCC duplicate work that could be performed by Canadian Heritage and provincial and municipal bodies. The NCC costs taxpayers about \$160 million annually. Defunding the NCC and using half of its budget to contract out its current work would save taxpayers about \$80 million annually.

Telefilm Canada: Private sector investment in Canada's TV and film production are at record levels.¹⁰⁵ There is no need to spend \$100 million of taxpayer money on cultural content Canadians are not willing to pay for directly when they are spending far more voluntarily through subscription streaming services. Abolishing Telefilm Canada would save taxpayers \$151 million annually.

Canada Post: The Government of Canada established the Canada Post as a Crown corporation in 1981 with the government as its sole stakeholder.¹⁰⁶ The government gave Canada Post a monopoly on letter pickup and delivery, allowing it to have an unfair advantage against private shipping companies.¹⁰⁷ Despite this, Canada Post has struggled in recent years, with losses of \$187 million and \$228 million in 2021 and 2022, respectively.¹⁰⁸ Due to the federal government being the only shareholder of Canada Post, taxpayers will be on the hook for any past, present or future debts.

A number of countries have partially or fully privatized their national postal service,¹⁰⁹ including the United Kingdom, Sweden, Netherlands, Germany, New Zealand, Portugal¹¹⁰ and Belgium.¹¹¹

"By selling [the Royal Mail], we help that important national business to prosper and invest in the future, while we use the money we get to pay down the national debt and pay less interest on that debt as a result." said George Osborne, UK Chancellor of the Exchequer at the time of the privatization.¹¹²

¹⁰⁵ Susan Krashinsky Robertson, "Netflix says it has exceeded spending on TV and film production in Canada in just two years," The Globe and Mail, <https://www.theglobeandmail.com/business/article-netflix-says-its-surpassed-its-500-million-deal-with-department-of/>

¹⁰⁶ Institut de recherche et d'informations socio-économiques, "Should Canada Post be privatized?" <https://iris-recherche.qc.ca/wp-content/uploads/2021/03/Note-Postes-WEB-en.pdf>

¹⁰⁷ C.D. Howe Institute, "How Ottawa Can Deliver A Reformed Canada Post," https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/e-brief_162_0.pdf#page=4

¹⁰⁸ Canada Post, 2022 Annual Report, <https://www.canadapost-postescanada.ca/cpc/doc/en/aboutus/financialreports/2022-annual-financial-report.pdf#page=34>

¹⁰⁹ Cato Institute, "Privatizing the U.S. Postal Service," <https://www.cato.org/tax-budget-bulletin/privatizing-us-postal-service>

¹¹⁰ The Portuguese government completes privatization of CTT Group: <https://web.archive.org/web/20151013002430/http://www.idstrac.com/Blog/the-portuguese-government-completes-privatization-of-ctt-group>

¹¹¹ Bpost: https://www.bpost.be/sites/default/files/free_form/20141023_3Q14_roadshow_presentation.pdf#page=5

¹¹² UK House of Commons, Privatisation of Royal Mail, <https://researchbriefings.files.parliament.uk/documents/SN06668/SN06668.pdf#page=13>

According to Canada Post's latest annual report, Canada's equity in the Crown corporation is worth \$6.36 billion.¹¹³ Selling Canada Post and using the money to pay down the national debt would mean taxpayers aren't on the hook for any future losses it incurs.

The government must also end the bonuses at these failing government authorities. Here are some of the bonuses and pay raises failing government authorities doled out recently:

- The Bank of Canada handed out \$72 million in bonuses and pay raises since the beginning of 2020, despite the pandemic and 40-year high inflation.¹¹⁴
- The Canada Mortgage and Housing Corporation handed out \$75 million in bonuses during the housing affordability crisis.¹¹⁵
- The CBC handed out almost \$185 million in bonuses and pay raises since 2015.¹¹⁶
- VIA Rail handed out bonuses, raises and lavish executive pay while it lost hundreds of millions of dollars and took a taxpayer bailout.¹¹⁷
- The Canada Infrastructure Bank last year paid bonuses to all six executives and every single manager at the equivalent of more than \$85,000 apiece, even as a Commons committee recommended Parliament close the Bank as a costly failure.¹¹⁸
- Destination Canada, a Crown corporation dedicated to promoting Canadian tourism, gave employees bonuses and raises even when tourists were legally prohibited from entering the country during the pandemic.¹¹⁹
- The Canadian Dairy Commission handed out raises and bonuses while hiking milk prices.¹²⁰

Recommendation: Immediately reduce the aggregate government funding to federal Crown corporations by 25 per cent.

¹¹³ Canada Post, 2022 Annual Report, [https://www.canadapost-](https://www.canadapost-postescanada.ca/cpc/doc/en/aboutus/financialreports/2022-annual-financial-report.pdf#page=49)

[postescanada.ca/cpc/doc/en/aboutus/financialreports/2022-annual-financial-report.pdf#page=49](https://www.canadapost-postescanada.ca/cpc/doc/en/aboutus/financialreports/2022-annual-financial-report.pdf#page=49)

¹¹⁴ Canadian Taxpayers Federation, "\$20 million in bonuses at Bank of Canada despite 40-year high inflation,"

<https://www.taxpayer.com/newsroom/-20-million-in-bonuses-at-bank-of-canada-despite-40-year-high-inflation>

¹¹⁵ Canadian Taxpayers Federation, "CMHC hands out \$75 million in bonuses during housing affordability crisis,"

<https://www.taxpayer.com/newsroom/cmhc-hands-out-75-million-in-bonuses-during-housing-affordability-crisis#:~:text=The%20average%20bonus%20paid%20to,%2C%20according%20to%20its%20website.>

¹¹⁶ Canadian Taxpayers Federation, "CBC doles out \$16 million in bonuses in 2022,"

<https://www.taxpayer.com/newsroom/cbc-doles-out-16-million-in-bonuses-in-2022#:~:text=The%20CBC%20handed%20out%20a,cash%20from%20the%20federal%20government.>

¹¹⁷ Blacklock's Reporter, "VIA Found Cash For Bonuses," <https://www.blacklocks.ca/via-found-cash-for-bonuses/>

¹¹⁸ Blacklock's Reporter, "Fed Bank Is 100% Bonus Club," <https://www.blacklocks.ca/fed-bank-is-100-bonus-club/>

¹¹⁹ Canadian Taxpayers Federation, "Federal tourism agency handed out bonuses and pay raises while industry locked down," <https://www.taxpayer.com/newsroom/federal-tourism-agency-handed-out-bonuses-and-pay-raises-while-industry-locked-down>

¹²⁰ Canadian Taxpayers Federation, "Dairy Commission hands out raises and bonuses while hiking milk prices," <https://www.taxpayer.com/newsroom/dairy-commission-hands-out-raises-and-bonuses-while-hiking-milk-prices#:~:text=Dairy%20Commission%20hands%20out%20raises%20and%20bonuses%20while%20hiking%20milk%20prices&text=OTTAWA%2C%20ON%3A%20The%20Canadian%20Dairy,by%20the%20Canadian%20Taxpayers%20Federation.>

Recommendation: Set a plan to remove all government funding to the Canada Infrastructure Bank, Via Rail, Canada Post, Telefilm Canada and cut the National Capital Commission's budget in half.

Recommendation: End the bonuses at Crown corporations that fail to meet their own publicly stated objectives.

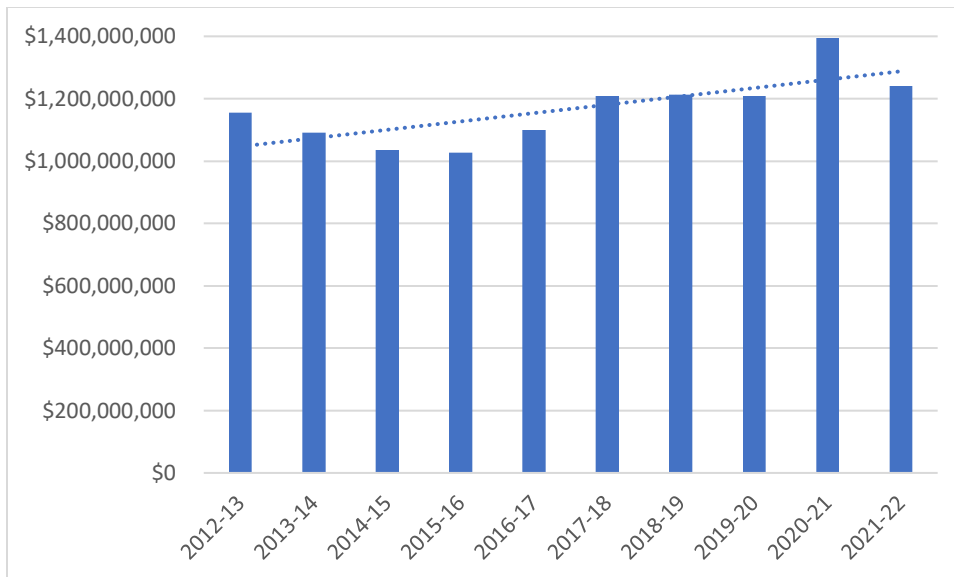
7. Defund the CBC and end media bailouts

An independent and free press is a crucial pillar of democracy. To be independent – in practice and perception – the government must end all media subsidies and defund the CBC.

Media organizations should be funded voluntarily, whether through fee for service from their viewers, advertisers, voluntary contributions or a combination of each. Media organizations also shouldn't be forced to compete with a government-funded organization such as the CBC.

In 2021, the CBC received more than \$1.2 billion from the government, according to its 2021-22 financial statements.¹²¹ Using the CBC's annual reports from previous years, the figure below shows the CBC's taxpayer funding over the last 10 years. Over the decade, the CBC received \$11.6 billion from taxpayers.

Figure: Taxpayer funding to the CBC, 2012-13 to 2021-22



Despite more money from taxpayers, the CBC's viewership continues to fall, with one internal ratings report showing that in April 2020, the CBC's share of Canada's TV audience was as low as 3.8 per cent¹²² while local CBC TV newscast viewership dropped 27 per cent between 2017 and 2019.¹²³ This begs the question: why should taxpayers be forced to subsidize a media organization people aren't watching?

¹²¹ CBC, Financial Statements 2021-22, <https://site-cbc.radio-canada.ca/documents/impact-and-accountability/finances/2022/consolidated-financial-statements-2022-2022.pdf>

¹²² John Doyle, "COVID-era CBC TV is a shambles," The Globe and Mail, <https://www.theglobeandmail.com/arts/television/article-covid-era-cbc-tv-is-a-shambles/>

¹²³ Blacklock's Reporter, "CBC Audience Down 27%," <https://www.blacklocks.ca/cbc-audience-down-27/>

Many of the CBC's operations are in direct competition with its competitors.

"Taxpayer dollars should not pay for things like a Canadian version of Family Feud," reads the 2021 Conservative Party platform.¹²⁴ "Nor should they fund CBC News Network, a channel no different from its private sector competitors. CBC digital may be the worst offender. It competes with, and threatens the future of local newspapers. Why are taxpayers paying for a CBC online comment section? CBC uses that section to drive clicks to get more ad revenue, which they are funnelling away from local newspapers on your dime."

It's important to note that removing government funding to the CBC does not mean abolishing the CBC. Over the last decade, the CBC raised an average of \$582 million per year from non-government sources, according to annual reports.

After the government announced its media subsidies in its 2019 budget, columnist Andrew Coyne outlined the many issues with giving taxpayers' money to news organizations:

"Taking money from the people we cover will place us in a permanent and inescapable conflict of interest; that it will produce newspapers concerned less with appealing to readers than to grantsmen; that it will not only leave us dependent on government, but without standing to oppose such dependence in others; that it will solve none of our problems, but only encourage us to put off dealing with them; that it is all so bloody unnecessary.

"But the most potent objection is that, as the government cannot possibly bail out everybody — for in the internet age what was formerly a tidy little constellation of newspapers and other outlets has exploded into a vast universe of what could plausibly be called news organizations — it must inevitably get into choosing who should receive its blessing and who should not."¹²⁵

The media subsidies announced in the 2019 budget provided \$595 million to news organizations between 2019-20 and 2023-24.¹²⁶ These subsidies included a subsidy for news organizations' labour costs, a tax credit for digital news subscribers and charitable tax status for news organizations that register as non-profits. The media subsidies cost taxpayers \$147 million in 2023. The CTF recommends no future media bailouts. By following this recommendation, the government would save taxpayers \$147 million annually compared to the current baseline.

Recommendation: Set out a plan to end all taxpayer funding to CBC, saving taxpayers more than \$1.2 billion annually.

¹²⁴ Erin O'Toole, "Our country: A call to take back Canada," <https://www.macleans.ca/wp-content/uploads/2020/06/Erin-OToole-OurCountry-EN.pdf?fbclid=IwAR0tP0f4KVMzbbBJR4FyRhYx-q-i9nUOiEFDJjCuUigKFbRCc3-H7w4AhQ>

¹²⁵ Andrew Coyne, "It's when you read details of media bailout that the chill sets in," National Post, <https://nationalpost.com/opinion/andrew-coyne-its-when-you-read-details-of-media-bailout-that-the-chill-sets-in>

¹²⁶ Government of Canada, Budget 2019, Tax Measures: Supplementary Information, <https://www.budget.gc.ca/2019/docs/plan/budget-2019-en.pdf>

Recommendation: Commit to no future media bailouts, saving taxpayers \$147 million annually.

8. Phase out equalization

There's a number of reasons why a fundamental re-think of the equalization status quo is needed. It's unfair for taxpayers who pay into equalization, but don't receive any funds back. It encourages poor governance in the recipient provinces. It places more stress on ailing federal finances. And it's fundamentally unfit to reach its stated policy objective.

I. Unfair for taxpayers in the "have" provinces

About 62 per cent of Alberta voters voted to end the equalization status quo. Much of the animosity stems from the amount of money Albertans have contributed to the federal government – and by extension the rest of Canada – while still receiving economic hostility from MPs and politicians in other provinces.

In 2021, the equalization program cost each Albertan \$650 on average, or \$2,600 for an Albertan family of four. Equalization cost Alberta taxpayers \$67 billion since its inception in 1957.¹²⁷

Equalization isn't the only federal program that redistributes money away from Alberta taxpayers. Since the 1960s, Albertans paid more than \$600 billion more to Ottawa than received back in federal transfers or spending.¹²⁸

Despite this oversized contribution, governments in other provinces continue to throw up roadblocks to Alberta's economic development.

Through its No More Pipelines Law, discriminatory West Coast tanker ban, rejection of the Northern Gateway pipeline and moving the regulatory goal posts on the Energy East pipeline, the federal government dealt blow after blow to Alberta's energy industry and workers. Despite Albertans continuing to reject carbon taxes, the federal carbon tax costs an average family \$710 more than the rebates they get back.¹²⁹ The federal government's \$170 per tonne carbon tax is expected to result in 30,000 fewer jobs in Alberta.¹³⁰ Ottawa also announced a second carbon tax through fuel regulations that could cost more than 6,800 Alberta jobs.¹³¹

¹²⁷ Canadian Taxpayers Federation, "Equalization costs each Albertan \$650 in 2021," <https://www.taxpayer.com/newsroom/equalization-costs-each-albertan-650-in-2021>

¹²⁸ Jack Mintz, "Why Albertans are pondering the nuclear option of separation," Financial Post, <https://financialpost.com/opinion/jack-mintz-why-albertans-are-pondering-the-nuclear-option-of-separation>

¹²⁹ Parliamentary Budget Officer, "A Distributional Analysis of the Federal Fuel Charge under the 2030 Emissions Reduction Plan," <https://distribution-a617274656661637473.pbo-dpb.ca/7590f619bb5d3b769ce09bdbc7c1ccce75ccd8b1bcfb506fc601a2409640bfdd>

¹³⁰ Fraser Institute, "Carbon Tax Impacts," <https://carbontaximpacts.ca>

¹³¹ Canadians for Affordable Energy, "Clean Fuel Standard Case Study: Alberta," https://d3n8a8pro7vhmx.cloudfront.net/affordableenergy/pages/1573/attachments/original/1601038891/20200924_AlbertaCaseStudy.pdf?1601038891

Politicians in other provinces have also kicked Alberta while its down. In British Columbia, politicians pledged to “employ every tool available” to block Alberta pipelines.¹³² In Quebec, Premier François Legault called Alberta’s oil “dirty energy” and said there’s “no social acceptability” for another oil pipeline.¹³³ In 2021-22, Legault cashed in on about \$13 billion from equalization, which is about \$1,500 per Quebecker that he gets to spend however he fancies.

Alberta isn’t the only province that suffers from the unfair equalization scheme. As Dr. Bill Bewick, the executive-director of Fairness Alberta explains, “regardless of the level of social services in British Columbia, Alberta, Saskatchewan, Ontario, and Newfoundland, the average family of four in those provinces are sending \$2,400 to Ottawa to benefit only 30 per cent of the country.”¹³⁴

Newfoundland and Labrador hasn’t received a penny from equalization since 2008.¹³⁵ According to this program, Newfoundland and Labrador is a “have” province. Yet in 2021, the federal government announced a \$5.2-billion bailout to the province.¹³⁶ In March 2020, the premier of Newfoundland and Labrador told the prime minister that “our recent attempts to finalize our borrowing program ... have been unsuccessful ... our Province has run out of time.”¹³⁷ A senior provincial government employee also warned that “there is a point coming soon when this province will not be able to pay its public service.”¹³⁸ In 2019, the federal government also announced it would be giving the province \$2.5 billion.¹³⁹ Think of how absurd a program is where taxpayers in Newfoundland and Labrador continue to lose money through equalization because they live in a so-called have province under one federal scheme, yet their own provincial government is worried about staying afloat and the federal government announced \$7.4 billion in payments back to the province since 2019. In what world does it make sense for a province to be considered a have province when its own government is worried about going belly up and the feds continue to send bailouts?

¹³² 2017 Confidence and Supply Agreement between the BC Green Caucus and the BC New Democrat Caucus, https://bcndpcaucus.ca/wp-content/uploads/sites/5/2017/05/BC-Green-BC-NDP-Agreement_vf-May-29th-2017.pdf

¹³³ Montreal Gazette, “Legault dismisses Alberta backlash over 'dirty energy' comment,” <https://montrealgazette.com/news/quebec/legault-dismisses-alberta-backlash-over-dirty-energy-comment>

¹³⁴ Bill Bewick, “B.C. being treated unfairly by Canada’s equalization program,” The Province, <https://theprovince.com/opinion/bill-bewick-b-c-losing-just-as-much-as-alberta-on-equalization>

¹³⁵ Government of Canada, “Historical Transfer Tables: 1980 to present,” <https://open.canada.ca/data/en/dataset/4eee1558-45b7-4484-9336-e692897d393f>

¹³⁶ Prime Minister of Canada Justin Trudeau, “Securing a strong future for Newfoundland and Labrador,” <https://pm.gc.ca/en/news/news-releases/2021/07/28/securing-strong-future-newfoundland-and-labrador>

¹³⁷ Government of Newfoundland and Labrador, Office of the Premier, <https://www.documentcloud.org/documents/6823548-Letter-to-Prime-Minister.html>

¹³⁸ David Cochrane and Rob Antle, “Out of time: How a Pandemic and oil crash almost sank Newfoundland and Labrador,” CBC News, <https://www.cbc.ca/news/politics/newfoundland-labrador-oil-pandemic-covid-coronavirus-dwight-ball-1.5516620>

¹³⁹ CBC News, “N.L. to receive \$2.5B from Ottawa over 38 years in renewed Atlantic Accord,” <https://www.cbc.ca/news/canada/newfoundland-labrador/atlantic-accord-deal-1.5079501>

II. Equalization encourages poor governance in recipient provinces

Not only does equalization harm taxpayers who pay into the program without receiving any money back, it also harms taxpayers in the provinces that receive equalization dollars. That's because it allows their politicians to rely more on tax dollars coming from other provinces and less on good policies that would grow their economies.

Equalization changes the political calculation around resource development and can even punish politicians for allowing the development of their province's resources.

"Equalization itself creates strong disincentives for natural resource development in have-not provinces," writes Ben Eisen of the Fraser Institute. "If a have-not province sees an increase in natural resource revenues, the extra money is largely offset by a reduction in equalization payments.

"In other words, if the government of Quebec encourages natural resource development it bears the full burden of any resulting costs — including, in some instances, environmental or political risks — but receives less than one-third of the fiscal benefits."¹⁴⁰

In 2018, the Quebec government announced a series of new measures that would ban fracking for shale gas province-wide and tighten oil and gas drilling.¹⁴¹ These limits were imposed despite the existence of up to 36 trillion cubic feet of recoverable natural gas in the St. Lawrence that is estimated to be worth between \$68 billion and \$186 billion.¹⁴² Nova Scotia also placed a ban that limits development of most of the province's onshore natural gas resources pegged to be worth between \$20 billion and \$60 billion.¹⁴³

Without the negative incentive to oppose resource development that occurs through equalization, politicians in other provinces would be more likely to develop their own natural resources and stop opposing projects crucial to the development of paying provinces.

The negative impacts of equalization go beyond discouraging resource development. As former Alberta finance and energy minister Ted Morton explains:

¹⁴⁰ Ben Eisen, "Hampering resource development makes it harder for Quebec to end reliance on equalization," Fraser Institute, <https://www.fraserinstitute.org/blogs/hampering-resource-development-makes-it-harder-for-quebec-to-end-reliance-on-equalization>

¹⁴¹ Jillian Kestler-D'Amours, "Quebec to ban shale gas fracking, tighten rules for oil and gas drilling," CBC News, <https://www.cbc.ca/news/canada/montreal/quebec-fracking-ban-1.4694327>

¹⁴² Ben Eisen, Steve Lafleur and Jake Fuss, "The real problems with equalization," Fraser Institute, <https://www.fraserinstitute.org/blogs/the-real-problems-with-equalization>

¹⁴³ Paul Withers, "N.S. urged to revisit fracking ban as report pegs onshore natural gas at \$20B or more," CBC News, <https://www.cbc.ca/news/canada/nova-scotia/nova-scotia-onshore-natural-gas-estimates-released-1.4479368>

“For these self-inflicted economic wounds, Quebec was rewarded with increased equalization payments, which soared from \$240 million/year in 1970 to over \$3 billion by the early 1980s ... The election of high tax/high benefits/high regulation governments seems to coincide with poorer economic outcomes, which in turn qualifies the province for equalization payments.”¹⁴⁴

Equalization also creates a greater incentive for higher taxes, which punishes the workers and businesses trying to grow the economy. That’s because higher taxes can reduce the tax base and therefore increase equalization payments.¹⁴⁵

Taking on equalization will never be easy in Canada, but there are some provinces on the receiving end that are now receptive to change. Both New Brunswick Premier Blaine Higgs¹⁴⁶ and Quebec Premier François Legault¹⁴⁷ have acknowledged the issues with relying on equalization and that the right path forward for “have-not” provinces is to focus less on equalization and more on growing their economies.

III. Added stress on federal finances

The federal government is now more than \$1 trillion in debt and equalization continues to pour more red ink on the country’s finances. Equalization is expected to cost \$25.3 billion in 2024,¹⁴⁸ which is an \$8 billion or 46 per cent increase over the last decade.¹⁴⁹ Equalization is expected to increase by another \$4.2 billion or more than 16 per cent over the next five years. The figure below illustrates the increase in annual equalization costs through 2028.

Figure: Equalization 2024-25 – 2028-29 (billions \$)

¹⁴⁴ Ted Morton, “Referendum Time?” C2C Journal, <https://c2cjournal.ca/2018/04/screwing-the-west-to-pay-the-rest/>

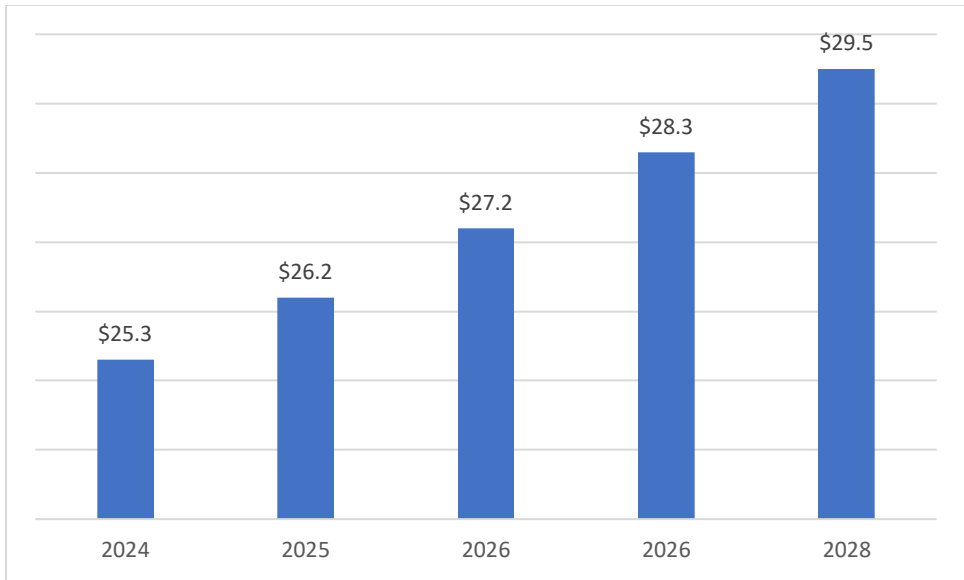
¹⁴⁵ Ben Eisen, Steve Lafleur and Jake Fuss, “The real problems with equalization, Fraser Institute, <https://www.fraserinstitute.org/blogs/the-real-problems-with-equalization>

¹⁴⁶ CBC News, ““Ottawa should cut equalization to force provinces to develop resources, Higgs says,” 2018, <https://www.cbc.ca/news/canada/new-brunswick/nb-higgs-equalization-pipeline-1.4953187>

¹⁴⁷ Calgary Herald, “Equalization, hockey are two of Legault’s favourite things about Canada,” 2019, <https://calgaryherald.com/pmnl/news-pmnl/canada-news-pmnl/legault-cites-equalization-hockey-as-reasons-to-be-proud-canadian/wcm/de2f0b53-9abf-417e-8a22-f9f73bf38e8f>

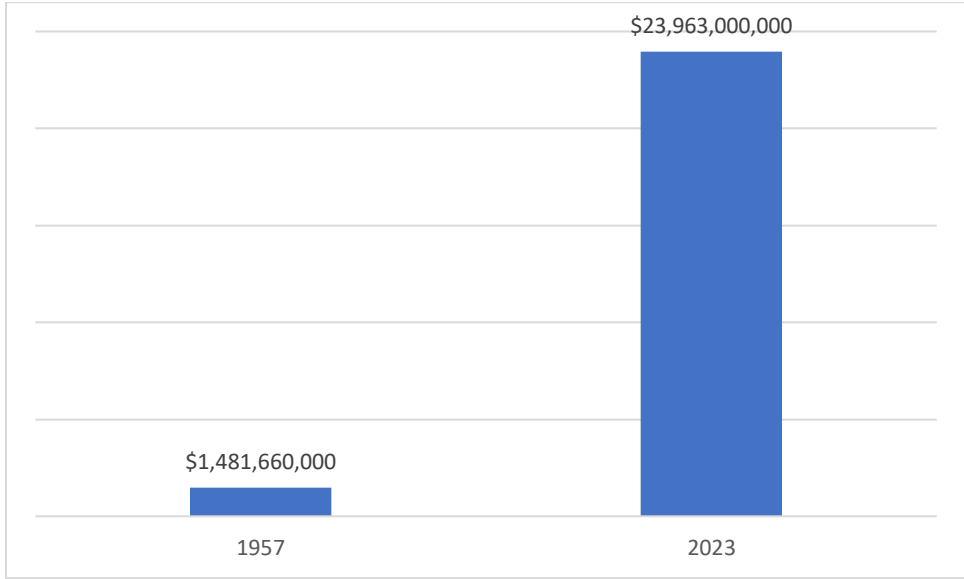
¹⁴⁸ Parliamentary Budget Officer, Economic and Fiscal Outlook October 2023, <https://distribution-a617274656661637473.pbo-dpb.ca/48014b51a8f869dfb0ecc9163f1989c560c107cc3aa9d29a8dd1a40c0e73a664>

¹⁴⁹ 2015 equalization costs obtained from: <https://www.canada.ca/en/department-finance/programs/federal-transfers/major-federal-transfers.html>



Equalization costs have increased significantly since its inception. When it was first established in 1957, the program dished out almost \$1.5 billion (2023 \$).¹⁵⁰ Today, the annual cost of equalization is almost \$24 billion. That’s an inflation-adjusted increase of more than 1,500 per cent. The Figure below shows its massive increase in cost.

Figure: Growth of equalization since its inception (2023 \$)



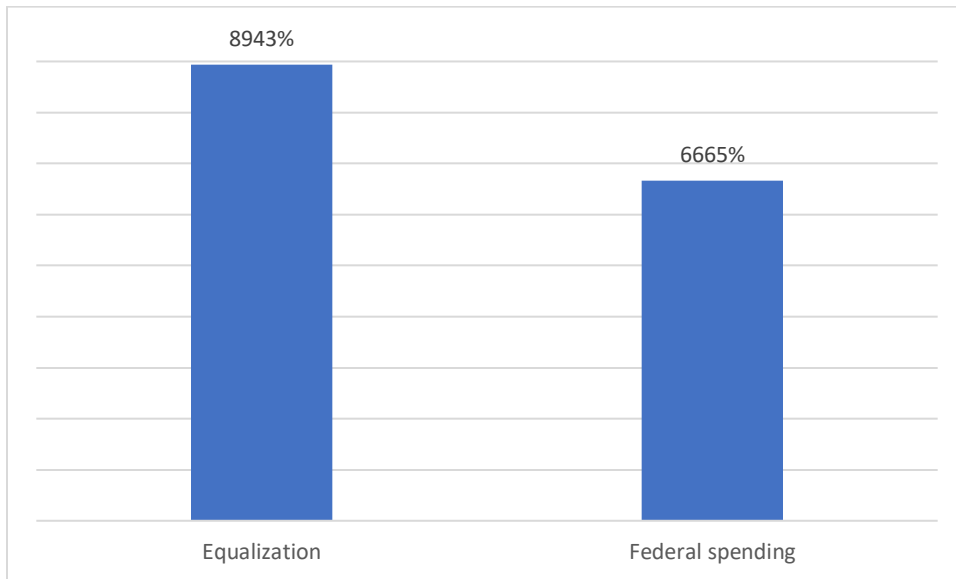
As the figure below shows, the increase in equalization has outpaced the increased in total federal spending between 1959 and 2019.

¹⁵⁰ Government of Canada, “Historical Transfer Tables,” <https://open.canada.ca/data/en/dataset/4eee1558-45b7-4484-9336-e692897d393f>

The earliest federal spending data we could find was from 1959,¹⁵¹ which is from the oldest budget in the government’s online archives. Spending in 2019 is used because recent years should be considered outlier years due to pandemic spending.

Between 1959 and 2019, equalization grew more than 2,000 percentage points more than total federal government spending.

Figure: Growth in equalization vs. growth in total federal spending since 1959



IV. Unable to meet policy objective

Not only does equalization harm taxpayers in recipient and receiving provinces, along with federal finances, but it’s not even clear if the \$20-billion-per-year equalization scheme can achieve its stated policy objective, which is the equalization of provincial services across Canada.

The federal government will always struggle to equalize provincial programs because these programs inherently fall outside the scope and jurisdiction of the federal government. This point is made abundantly clear by Morton:

“There is the problem of policy jurisdiction. Virtually all of these social services fall under the exclusive jurisdiction of the provinces and cannot be dictated or ‘equalized’ by Ottawa. That’s why the Equalization program currently gives each ‘have-not’ province a blank cheque with the intent (i.e. the hope) that the funds will be used for topping up ‘under-funded’ benefit

¹⁵¹ Government of Canada, “Archived Budget Documents,” <https://www.budget.gc.ca/pdfarch/index-eng.html>; Federal spending from 1959 is found in Budget 1968: <https://www.budget.canada.ca/pdfarch/1968-sd-eng.pdf>

programs. But there is no guarantee, because there cannot be. These are all provincial matters.”¹⁵²

Second, equalization is an attempt to equalize services across provinces, but that can't be done by throwing more tax dollars at a problem. As the Alberta government has demonstrated, spending more tax dollars doesn't result in better outcomes.

The Alberta government is a high spending provincial government, but in many important instances, Albertans do not receive the best quality of services from their government.

“Alberta's spending per capita is the highest in Canada and has consistently been higher than the average of the 10 provinces over the last 25 years,” states the Blue Ribbon Panel Report on Alberta's finances. “In some key areas, in spite of the higher levels of funding, the results achieved are no better and, in some cases, worse than in other provinces.”¹⁵³

Take health care for example. Alberta has the youngest population,¹⁵⁴ but it spends more per person on health care than every other province except Newfoundland and Labrador.¹⁵⁵ It outspends the Ontario government by about \$1,000 per capita every year. But Albertans don't get the best health care results.

“Outcomes are no better and are often worse than comparable provinces ... Albertans wait an average of 26 weeks [from referral by a general practitioner until they receive treatment], more than 10 weeks longer than in Ontario, which has the shortest wait times,” noted the Blue Ribbon Panel.

As Alberta clearly demonstrates, the equalization program will always struggle to reach its objective because more tax dollars thrown at a problem doesn't mean better results.

Next steps on equalization:

The federal government should develop a plan to wean the provinces off equalization. There should come a time when provinces can be largely self-sustaining. And after six and half decades of equalization payments, now is as good of a time as ever to push provincial governments to focus more on growing their own economies and rely less on tax dollars from

¹⁵² Ted Morton, “Referendum Time?” C2C Journal, <https://c2cjournal.ca/2018/04/screwing-the-west-to-pay-the-rest/>

¹⁵³ Blue Ribbon Panel on Alberta's finances, Report and Recommendations, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

¹⁵⁴ Tavia Grant and Jeremy Agius, “Census 2016: The growing age gap, gender ratios and other key takeaways,” Globe and Mail, <https://www.theglobeandmail.com/news/national/census-2016-statscan/article34882462/>

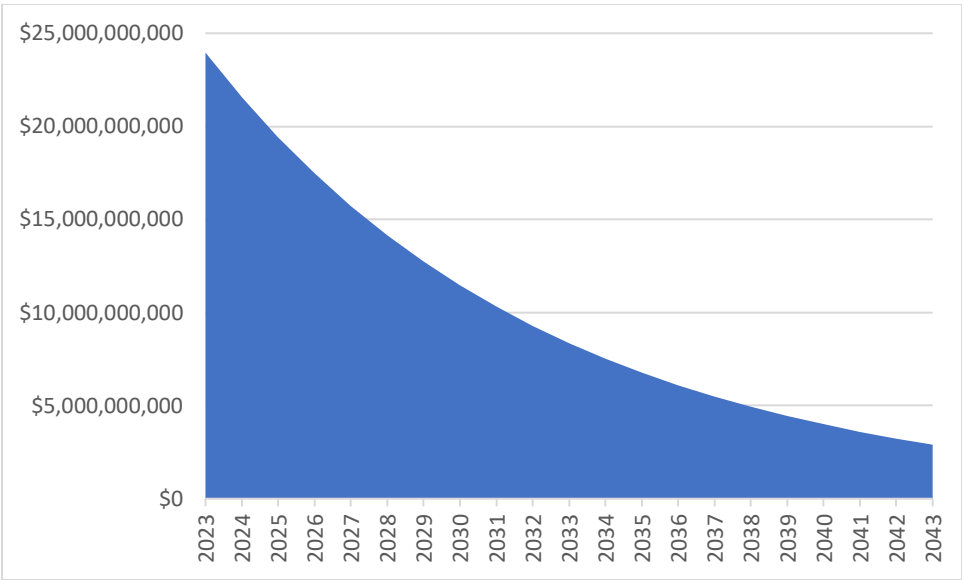
¹⁵⁵ Bacchus Barua, Jason Clemens, and Taylor Jackson, “Health Care Reform Options for Alberta,” Fraser Institute, <https://www.fraserinstitute.org/sites/default/files/health-care-reform-options-for-alberta.pdf>

other provincial taxpayers. The goal of equalization shouldn't be to keep provinces reliant on federal tax dollars forever. As such, equalization funding should be phased out.

The CTF proposes fully phasing out equalization over a twenty-year period (last year of program being 2043), with the annual size of the funding program declining by 10 per cent per year.

This new funding arrangement would only deal with the current equalization funding and would not alter the Canada Health or Canada Social transfers. This would also mean the provinces would receive more than \$21 billion through the CTF equalization proposal in 2024 and \$213 billion by the end of the program in 2043 (this does not include funding through the CHT and CST). The figure below shows the funding model over the twenty years of the transfer arrangement.

Figure: Phasing out equalization over 20 years



This new arrangement would mean taxpayers would spend \$2.4 billion less in 2024 than in 2023. The table below shows how much taxpayers would save over the next five years when comparing the projected future increases under the feds' current arrangement with the CTF's proposal. Taxpayers would save more than \$51 billion over the next five years with the CTF's proposal.

Table: Savings to taxpayers with CTF equalization proposal, 2024-25 to 2027-28

Year	Current equalization scheme	CTF proposal	Yearly taxpayer savings
2024	\$25,300,000,000	\$21,566,700,000	\$3,733,300,000

2025	\$26,200,000,000	\$19,410,030,000	\$6,789,970,000
2026	\$27,200,000,000	\$17,469,027,000	\$9,730,973,000
2027	\$28,300,000,000	\$15,722,124,300	\$12,577,875,700
2028	\$29,500,000,000	\$14,149,911,870	\$15,350,088,130
Five-year savings			\$48,182,206,830

There is nothing technically stopping the federal government from making changes to its equalization scheme and saving taxpayers money. As Morton explains throughout his C2C Journal article, “Referendum Time?”, the federal government has made changes to the program many times over the decades largely due to political and budget considerations.¹⁵⁶

Recommendation: Reduce the size of equalization with the goal of eventually ending the program through the CTF’s 20-year equalization phase out proposal. This would save taxpayers about \$3.7 billion next year compared to the status quo.

¹⁵⁶ Ted Morton, “Referendum Time?” C2C Journal, <https://c2cjournal.ca/2018/04/screwing-the-west-to-pay-the-rest/>

9. End the gun ban and buyback

The federal government's gun ban and buyback has all the makings of another ineffective gun policy that becomes a taxpayer boondoggle.

The gun registry introduced in the 1990s was supposed to cost \$2 million, but by the time it was abolished in 2012, the tally was over \$2 billion. Despite the heavy price tag, the gun registry was ineffective.

The Liberal Party originally told voters the gun ban and buyback would cost \$200 million.¹⁵⁷ Then in early 2021, former public safety minister Bill Blair said the costs would land "somewhere between \$300 and \$400 million dollars."¹⁵⁸

On June 29, 2021, the PBO released analysis showing that the cost to reimburse gunowners could reach up to \$756 million.¹⁵⁹

But that's not the full costs. The PBO couldn't provide an estimate of the staffing and administration costs because of "the current lack of details regarding program design and administration."

"Focusing on reimbursement costs is misleading because it ignores the biggest expense — staffing costs," wrote Gary Mauser, a Professor Emeritus at Simon Fraser University, in his analysis of the policy.¹⁶⁰

Mauser estimates that when you consider the other costs to administer the program, the gun buyback would cost taxpayers between \$2.6 billion and \$6.8 billion.¹⁶¹ The National Post recently reported that the government's own internal documents reveal similar costs.

"Internal government documents from 2019 put the cost of a government mandatory gun buyback at nearly \$2 billion, despite assurances during the last federal election that

¹⁵⁷ Marieke Walsh and Bill Curry, "Liberals pledging more new money to camping than combatting gun crimes," The Globe and Mail, <https://www.theglobeandmail.com/politics/article-liberals-pledging-more-new-money-to-camping-than-combatting-gun-crimes/>

¹⁵⁸ Catharine Tunney, "Liberals introduce buy-back program for banned firearms but price tag unclear," CBC News, <https://www.cbc.ca/news/politics/buy-back-gun-bill-1.5915166>

¹⁵⁹ Parliamentary Budget Officer, "Cost Estimate of the firearm buy-back program," <https://distribution-a617274656661637473.pbo-dpb.ca/4196f91c9ca790eba879bf359fc2535b02af838191712fcef827a0643d71b4a7>

¹⁶⁰ Gary Mauser, "Trudeau government's 'buy back' gun program likely a multi-billion boondoggle," Fraser Institute, <https://www.fraserinstitute.org/blogs/trudeau-governments-buy-back-gun-program-likely-a-multi-billion-boondoggle>

¹⁶¹ Gary Mauser, "Trudeau government 'buy back' firearms plan may cost up to \$6.7 billion," Fraser Institute, <https://www.fraserinstitute.org/blogs/trudeau-government-buy-back-firearms-plan-may-cost-up-to-67-billion>

expropriating so-called assault rifles' from licensed Canadian firearms owners would only cost between \$400 million and \$600 million," according to the Post.¹⁶²

Given that the federal government has already spent more than \$8 million on the program without buying a single gun, taxpayers have every right to be worried about the potential of another taxpayer boondoggle.¹⁶³

Here's the kicker: despite a massive bill, the gun buyback will be ineffective.

Criminals are not going to start walking into government offices to hand over their firearms.

This gun policy only targets legally owned firearms. This is a point stressed by the National Police Federation, which is Canada's largest police union. The NPF said the federal gun grab won't address "current and emerging themes or urgent threats to public safety," such as criminal activity, gang violence or the flow of illegal guns across the border.

Not only will the buyback be ineffective, but it could also make things worse.

"It diverts extremely important personnel, resources, and funding away from addressing the more immediate and growing threat of criminal use of illegal firearms," the NPF said.¹⁶⁴

Instead of spending \$756 million on reimbursing legal gun owners, the government could do more for public safety by hiring 1,200 new officers for five years.¹⁶⁵

The federal government announced that the buyback won't occur until Oct. 30, 2025 – after the next federal election is scheduled to take place.¹⁶⁶ The CTF recommends scrapping the ineffective and expensive scheme altogether.

Recommendation: End the gun ban and buyback program, saving taxpayers an estimated \$2.6 billion using the low point of Mauser's estimate.

¹⁶² National Post, "Government documents project Liberals' gun 'buyback' to cost nearly \$2B, double minister's estimates," <https://nationalpost.com/news/politics/government-documents-project-liberals-gun-buyback-to-cost-nearly-2b-double-ministers-estimates>

¹⁶³ Canadian Taxpayers Federation, "Federal gun ban and buyback spending now up to \$8.8 million," <https://www.taxpayer.com/newsroom/federal-gun-ban-and-buyback-spending-now-up-to-8.8-million>

¹⁶⁴ National Police Federation, "Gun Violence and Public Safety in Canada," https://npf-fpn.com/app/uploads/2021/05/Gun-Violence-and-Public-Safety-in-Canada_PS_November-2020.pdf

¹⁶⁵ Statistics Canada, "Police resources in Canada, 2019," <https://www150.statcan.gc.ca/n1/pub/85-002-x/2020001/article/00015-eng.htm>

¹⁶⁶ CTV News, "Liberals extend amnesty order for 'assault-style' firearms until after next election," <https://www.ctvnews.ca/politics/liberals-extend-amnesty-order-for-assault-style-firearms-until-after-next-election-1.6597113>

10. End politician welfare

Federal political parties take special taxpayer treatment through the political contributions tax credit. A \$100 donation to a political party provides a \$75 tax credit, while a \$100 donation to a charity provides a \$15 federal tax credit. The federal government estimates the political contributions tax credit cost taxpayers \$230 million between 2017 and 2023 and will cost another \$25 million in 2024.¹⁶⁷

In addition, parties and candidates received more than \$191 million in expense reimbursements for the 2019,¹⁶⁸ 2015 and 2011¹⁶⁹ federal elections, according to Elections Canada. The federal government should end this practice of reimbursing parties and candidates for their campaign expenses, starting with the 2021 election. Elections Canada estimates that the reimbursements for the 2021 election will cost taxpayers almost \$70 million.¹⁷⁰

Recommendation: Scrap the political contributions tax credit saving taxpayers \$25 million annually.

Recommendation: End the campaign reimbursements for political parties and candidates, which includes not reimbursing campaigns for the 2021 election. This would save taxpayers almost \$70 million.

¹⁶⁷ Government of Canada, "Report on Federal Tax Expenditures 2023,"

<https://www.canada.ca/content/dam/fin/publications/taxexp-depfisc/2023/taxexp-depfisc-23-eng.pdf>

¹⁶⁸ Elections Canada, "Estimated Cost of the 43rd General Election,"

<https://www.elections.ca/content.aspx?section=res&dir=rep%2Foff%2Fcou&document=index43&lang=e#compa>

¹⁶⁹ Elections Canada, "Report on the 42nd General Election of October 19, 2015,"

https://www.elections.ca/content.aspx?section=res&dir=rep%2Foff%2Fsta_2015&document=p2&lang=e#ftnref7t

¹⁷⁰ Elections Canada, Estimated Cost of the 44th General Election,

<https://www.elections.ca/content.aspx?section=res&dir=rep/off/cou&document=index44&lang=e#ftn3>

11. Comprehensive spending review similar to the 1990s

In its efforts to balance the budget in the 1990s, former prime minister Jean Chrétien's government set forth the best practices for program reviews.¹⁷¹ Cabinet ministers in every department were instructed to put their departmental spending under a microscope. The review was comprehensive and applied six tests to every expense:

1. Does it serve the public interest?
2. Is government involvement necessary?
3. Is this an appropriate role for this level of government?
4. Are public-private partnerships possible or desirable?
5. Are there ways to make it more efficient?
6. Can taxpayers afford this expense?

As analyst Sean Speer noted in his paper for the Macdonald-Laurier Institute:

“The program review led to significant reforms that not only reduced spending and lowered the budgetary deficit, but also modernized and reformed the role of the federal government. The result was smaller and better government and sustainable public finances.”

As a result of the review, programs became more efficient, the government cut 60 per cent of its corporate welfare and divested from major Crown corporations, such as airports and the air navigation system. The spending review identified \$9.8 billion in savings, equivalent to 18.9 per cent of federal departmental spending at the time.

All departments participated. The largest reductions were in transportation, where spending was to decline by more than 50 per cent, and in industrial, regional and scientific support programs, which fell by 40 per cent. Transfer payments to the provinces for health and education were also targeted. The overall amount of federal transfer payments fell from \$25.8 billion in 1994 to \$22.2 billion in 1996. The cuts to transfers were larger than the cuts to direct federal spending.

Transfers to the provinces have increased in recent years. For example, The Canada Health Transfer and Canada Social Transfer have increased by \$21.1 billion or 47 per cent over the decade.¹⁷²

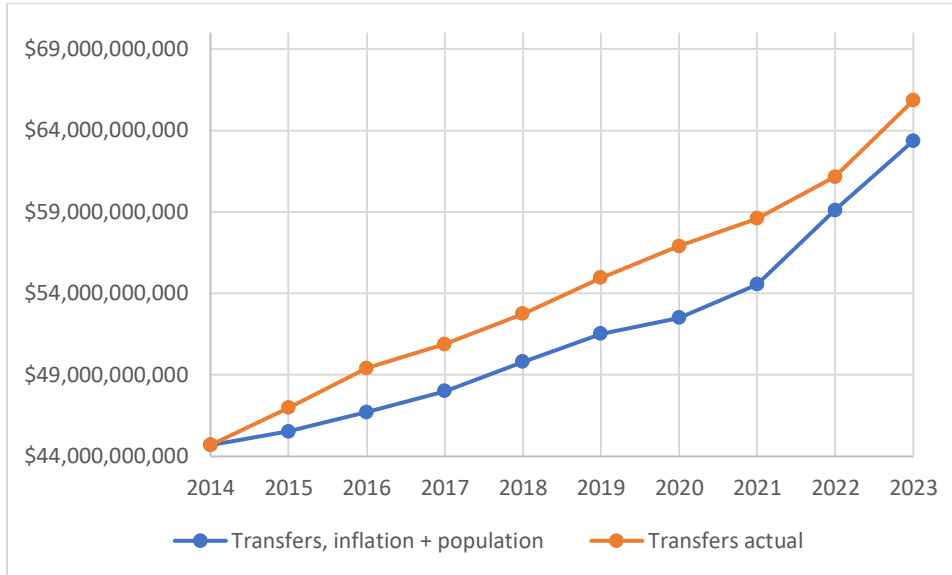
Assuming an inflation rate of four per cent in 2023, as projected by the PBO, the growth of these transfers has outpaced inflation and population growth between 2014 and 2023, which was about 42 per cent. Had the CHT and CST followed inflation plus population growth,

¹⁷¹ Sean Speer, “Getting Out of a Fiscal Hole: Canada’s experience with fiscal reform,” Macdonald-Laurier Institute, https://macdonaldlaurier.ca/files/pdf/MLI-Anglosphere-CanadaPaper_Web_F.pdf?fbclid=IwAR22yRGHWsRDfCj2yZbklrpeYM9pyPYBLIbj1YHSOn2OsmMyMLrRP7a1hAk

¹⁷² Government of Canada, Major federal transfers, <https://www.canada.ca/en/department-finance/programs/federal-transfers/major-federal-transfers.html>

spending in 2023 would be about \$63 billion, or almost \$2.5 billion less. Total savings over these 10 years would have been about \$26 billion (see figure below).

Figure: Increase in CHT + CST vs inflation and growth, 2014-15 to 2023-22



Despite the large increase in the cost of the CHT and CST, the government plans to increase these transfers by another \$12.8 billion between 2024 and 2028, or another 18.5 per cent over the next five years.

The 90s program review allowed the federal government to balance the budget in 1997-98 and pay down more than \$90 billion in federal debt before the financial crisis hit in 2008. This reduced the proportion of tax dollars going towards debt interest payments from 30 per cent in 1996 down to 13 per cent in 2008.

The savings also allowed for significant tax relief, such as sales tax, business and personal income tax relief, and the establishment of TFSA's to boost household savings.

Since the budget was first balanced in 1997-98, federal government spending has again taken off. Between 1997¹⁷³ and 2018¹⁷⁴ (the last full year before COVID-19), the federal government's inflation-adjusted total annual spending increased by \$117 billion, or 53 per cent. In fact, in 2018, the federal government's inflation-adjusted per-person spending reached all-time highs.¹⁷⁵ That means that even before the pandemic, the federal government was spending more money than it spent during any single year of World War II.

¹⁷³ Government of Canada, Budget 2000, <https://www.budget.gc.ca/pdfarch/budget00/pdf/bpe.pdf>

¹⁷⁴ Government of Canada, 2019 Fall Economic and Fiscal Update, <https://www.budget.gc.ca/efu-meb/2019/docs/statement-enonce/efu-meb-2019-eng.pdf>

¹⁷⁵ Jake Fuss and Nathaniel Li, "Prime Ministers and Government Spending: 2021 Edition," <https://www.fraserinstitute.org/blogs/prime-ministers-and-government-spending-2021-edition>

Learning from the success of the review and subsequent spending reductions, Speer provides a final recommendation for future politicians looking to rein in government borrowing:

“Fiscal reform should not just focus on reducing the budgetary deficit. Instead, it should encompass reforms and modernizations of all that government does and how it does it. Across-the-board cuts or arbitrary targets may achieve short-term spending reductions, but they often create future pressures. Eliminating programs, divesting assets, or reforming operations is the surest way to not only cut the deficit in the short term, but limit the size and scope of government in the long-term.”

Given the massive level of federal government spending, even before the pandemic, all areas of the federal budget should be put under the microscope. However, the government should begin by identifying clear examples of waste, such as the following spending over the last few years.

Federal government waste examples:

2023

The government handed out pandemic subsidies to hundreds of dead people, inmates, people living outside of Canada and teenagers under the age of 15. The Auditor General estimates there is \$32 billion in ineligible or questionable subsidies handed out.¹⁷⁶

- Cost: \$32 billion

The National Capital Commission dropped more than \$8 million building a “Barn” on the grounds of Rideau Hall to serve as a storage facility.¹⁷⁷

- Cost: \$8 million

The prime minister’s three vacations this year — New Year’s in Jamaica, skiing in Montana and the August Tofino trip — cost taxpayers around \$678,000.¹⁷⁸

- Cost: \$678,000

The Office of the Secretary to the Governor General dropped \$117,566 on professional dry-cleaning services since 2018, despite having in-house staff on the payroll responsible for doing laundry. That’s an average of more than \$1,800 per month spent on dry cleaning.¹⁷⁹

- Cost: \$117,566

¹⁷⁶ Auditor General, COVID-19 Report, https://www.oag-bvg.gc.ca/internet/docs/parl_oag_202212_10_e.pdf

¹⁷⁷ Canadian Taxpayers Federation, “Feds build \$8 million ‘barn’ at Rideau Hall,” <https://www.taxpayer.com/newsroom/feds-build-8-million-“barn”-at-rideau-hall>

¹⁷⁸ National Post, “Policing costs for PM’s August vacation in Tofino were \$287K, documents reveal,” <https://nationalpost.com/news/policing-costs-for-pms-august-vacation-in-tofino-were-287k-documents-reveal>

¹⁷⁹ Canadian Taxpayers Federation, “Governor General spends \$117,000 on dry cleaning,” <https://www.taxpayer.com/newsroom/governor-general-spends-117,000-on-dry-cleaning>

The CBC's real estate portfolio, comprised of 12 properties scattered across Canada, is assessed at more than \$444 million. The CBC leases another 72 properties, including five in foreign countries, that it refuses to disclose costs for.¹⁸⁰

- Cost: \$444 million

The federal government spent \$420,023 since 2018 subsidizing companies that turn crickets into human food.¹⁸¹

- Cost: \$420,000

The National Capital Commission spent \$135 million renovating and maintaining the official residences from 2006 to 2022. That's \$8.5 million every year, or enough to buy a "palatial mansion" on the banks of the Rideau Canal, described as "Ottawa's most opulent home," and still have about a million bucks left over.¹⁸²

- Cost: \$135 million

During her first year on the job, Governor General Mary Simon made five trips abroad and more than a dozen domestic excursions, dragging along a dizzying array of underlings and support staff on most voyages. All told, taxpayers were on the hook for at least \$2,784,010.¹⁸³

- Cost: \$2.8 million

Pizza cutters and webcam covers. Credit card sleeves and survival knives. Bookmarks and ballpoint pens. Toiletry bags and licence plate frames. Polo shirts and unisex quilted vests. It appears there is no product the feds won't brand with the logo of a department or emblazon with the motto of a Crown corporation, and no price too high for the privilege.¹⁸⁴

- Full costs not disclosed by the government

A four-day trip to a German book fair cost taxpayers more than \$18 million.¹⁸⁵

- Cost: \$18 million

¹⁸⁰ Canadian Taxpayers Federation, "CBC amasses half a billion in real estate,"

<https://www.taxpayer.com/newsroom/cbc-amasses-half-a-billion-in-real-estate>

¹⁸¹ Canadian Taxpayers Federation, "Taste the crunch: cricket corporate welfare cost \$420K,"

<https://www.taxpayer.com/newsroom/taste-the-crunch-cricket-corporate-welfare-cost-420k>

¹⁸² Canadian Taxpayers Federation, "The myth of "underfunding" at Canada's official residences,"

<https://www.taxpayer.com/newsroom/the-myth-of-underfunding-at-canada-s-official-residences>

¹⁸³ Canadian Taxpayers Federation, "Governor general's high-flying ways costs taxpayers \$2.7 million in 2022,"

<https://www.taxpayer.com/newsroom/governor-general-s-high-flying-ways-costs-taxpayers-2.7-million-in-2022>

¹⁸⁴ Canadian Taxpayers Federation, "Stress balls, charcuterie boards and climate change card games: inside the feds' branded merch shopping spree," <https://www.taxpayer.com/newsroom/stress-balls-charcuterie-boards-and-climate-change-card-games-inside-the-feds-branded-merch-shopping-spre>

¹⁸⁵ Blacklock's Reporter, "\$18M For Frankfurt High Life," <https://www.blacklocks.ca/18m-for-frankfurt-high-life/>

Taxpayers were forced to pick up the tab for a \$71,000 bill from “Icelimo Luxury Travel” during Governor General Mary Simon’s four-day visit to Iceland last fall.¹⁸⁶

- Cost: \$71,000

Trudeau spent \$61,000 on hotel rooms during a two-day anti-poverty summit in Manhattan.¹⁸⁷

- Cost: \$61,000

Governors general Julie Payette and Mary Simon expensed more than \$88,000 in clothing that they get to keep. A governor general is allowed to expense up to \$130,000 in clothing purchases over their five-year mandate.¹⁸⁸

- Cost: \$88,000

2022

Global Affairs Canada spent more than \$12,000 so old people in other countries could talk about their sex lives on stage in front of live audiences.¹⁸⁹

- Cost: \$12,520

Governor General Mary Simon and her guests racked up a nearly \$100,000 catering bill during their flights to and from the Middle East from March 16 to 24. The week-long trip cost more than \$1 million.

- Cost: \$1.3 million¹⁹⁰

The ArriveCan app cost the government \$54 million. Meanwhile, two independent techies recreated the app in two days and experts say they could have recreated it for \$250,000.

- Cost: \$54 million¹⁹¹

Prime Minister Justin Trudeau spent \$6,000 per night on a luxury hotel suite during the Queen’s funeral in England.

¹⁸⁶ Canadian Taxpayers Federation, “Governor General bills taxpayers for \$71K ‘Icelimo’ during foreign trip,” <https://www.taxpayer.com/newsroom/governor-general-bills-taxpayers-for-71k-“icelimo”-during-foreign-trip>

¹⁸⁷ National Post, “Trudeau’s celebrity-studded trip to NYC summit cost \$61K in hotels: documents,” <https://nationalpost.com/news/politics/prime-minister-justin-trudeau-hotel-bill>

¹⁸⁸ National Post, “Governors general billed over \$88,000 in clothing to taxpayers since 2017: documents,” <https://nationalpost.com/news/politics/governors-general-billed-over-88000-in-clothing-to-taxpayers-since-2017-documents>

¹⁸⁹ Canadian Taxpayers Federation, “Government funds senior sex story shows,” <https://www.taxpayer.com/newsroom/government-funds-senior-sex-story-shows>

¹⁹⁰ National Post, “Governor General’s week-long Middle East trip cost taxpayers \$1.3 million,” <https://nationalpost.com/news/governor-general-trip-cost-taxpayers-1-3-million>

¹⁹¹ Globe and Mail, “ArriveCan’s \$54-million price tag ‘outrageous,’ tech leaders say,” <https://www.theglobeandmail.com/politics/article-arrivecan-app-covid-19/>

- Cost: \$30,000¹⁹²

BDC flew its CEO out to British Columbia twice with a personal driver. The BDC also spent \$320,000 on an event, where people who attended the event “say they still have no idea what the point of it was,” according to CBC.¹⁹³

- Cost: \$330,000

Natural Resources Minister Jonathan Wilkinson’s department spent more than \$3 million on a tree planting campaign without planting any trees, records show.¹⁹⁴

- Cost: \$3.1 million

The department of Global Affairs spent \$41,161 on luxury custom furniture for diplomatic offices abroad.¹⁹⁵

- Cost: \$41,161

Canadian taxpayers spend nearly \$55,000 annually on food bills for the prime minister’s household.¹⁹⁶

- Cost: \$54,494

2021

Former Governor General Julie Payette had a litany of dubious expenses throughout her troubled tenure in the already wasteful position. The list starts with \$502,395 in Rideau Hall renovations, \$649,000 in swearing-in costs, \$110,000 in legal fees from the inquiry, \$393,367 in Quintet consult costs, and ends with a lifetime pension and more than \$200,000 expense account that can last until 6 months after her death.¹⁹⁷

The Senate decided to spend roughly \$150,000 on desks for their employees to work when they were working at home.

¹⁹² Toronto Sun, “Canada’s delegation to Queen’s funeral spent almost \$400,000 for hotel rooms alone,” <https://torontosun.com/opinion/columnists/lilley-canadas-delegation-to-queens-funeral-spent-almost-400000-for-hotel-rooms-alone>

¹⁹³ CBC, “Crown corporation faces staff backlash over McKinsey contract, spending decisions,” <https://www.cbc.ca/news/politics/business-development-bank-canada-hudon-mckinsey-1.6720914>

¹⁹⁴ True North, “Taxpayers billed \$3.1 million for study on how to plant trees,” <https://tnc.news/2022/06/25/trudeau-trees/>

¹⁹⁵ Canadian Taxpayers Federation, “Global Affairs spends more than \$40,000 on fancy furniture,” <https://www.taxpayer.com/newsroom/global-affairs-spends-more-than-40,000-on-fancy-furniture>

¹⁹⁶ National Post, “Canadian taxpayers on hook for \$55K of Trudeau family’s annual grocery bill,” <https://nationalpost.com/news/politics/canadian-taxpayers-on-hook-for-55k-of-trudeau-family-annual-grocery-bill>

¹⁹⁷ Canadian Taxpayers Federation, “Former governor generals allowed to bill Canadians beyond the grave,” <https://www.taxpayer.com/newsroom/former-governor-generals-allowed-to-bill-canadians-beyond-the-grave?id=18875>

- Cost: \$150,000¹⁹⁸

A federal “cost savings” program to electrify transit will see vehicles purchased at double the cost of conventional buses.¹⁹⁹

Infrastructure Minister Catherine McKenna and nine staffers spent nearly \$42,000 and tens of thousands of litres of aviation fuel on a farewell “climate change” tour of Canada.

- Cost: \$41,917²⁰⁰

Cabinet invited taxpayers in 2021 to vote for their favourite design of a multi-million dollar monument to the Department of Foreign Affairs. The monument will commemorate the “daily sacrifices” of diplomats.

- Cost: \$2.95 million²⁰¹

The Department of Northern Affairs spent more than \$1.4 million installing solar panels in the most sunless region of Canada.

- Cost: \$1,436,726²⁰²

The federal government spent more than \$10 million on its failed campaign for a seat on the United Nations Security Council.

- Cost: \$10,371,712²⁰³

Canada sent the most delegates to COP26 out of G7 nations. Canada sent 276 delegates to COP26, while host UK sent the second most, 227.²⁰⁴ Finance Minister Chrystia Freeland stayed in the wrong city than billed taxpayers \$3,000 for luxury chauffeur service.

2020

¹⁹⁸ Blacklock’s Reporter, “\$150K For New Senate Desks,” <https://www.blacklocks.ca/150k-for-new-senate-desks/>

¹⁹⁹ Blacklock’s Reporter, “Green “Savings’ Cost Double,” <https://www.blacklocks.ca/green-savings-cost-double/>

²⁰⁰ Blacklock’s Reporter, “McKenna Climate Tour Logs 22,600 km By Jet In Ten Days,”

<https://www.blacklocks.ca/mckenna-climate-tour-logs-22600-km-by-jet-in-ten-days/>

²⁰¹ Blacklock’s Reporter, “Plan \$3M Monument To Self,” <https://www.blacklocks.ca/plan-3m-monument-to-self/>

²⁰² Blacklock’s Reporter, “\$1.4M For Arctic Solar Panels,” <https://www.blacklocks.ca/1-4m-for-arctic-solar-panels/>

²⁰³ Canadian Taxpayers Federation, “Africa trip drives up failed UN security seat campaign cost to over \$10 million,” <https://www.taxpayer.com/newsroom/africa-trip-drives-up-failed-un-security-seat-campaign-cost-to-over-10-million>

²⁰⁴ Cosmin Dzsurdzsa, “Canada sent most delegates to COP26 out of G7 nations,” True North, <https://tnc.news/2021/11/03/canada-sent-most-delegates-to-cop26-out-of-g7-nations/>

Taxpayers paid \$73,220 to jet Health Minister Patricia Hajdu home for weekends in Thunder Bay even though her department was telling people to stay home in the height of the first wave of the pandemic.

- Cost: \$73,220²⁰⁵

Federal and provincial political parties, including the federal Liberals, Conservatives, NDP and Greens, all decided to dip into the wage subsidy programs set up to help sustain businesses during the height of the pandemic downturn.

- Cost: \$3.7 million²⁰⁶

The Department of Agriculture tried to ask a group of 725 companies their opinions on their favourite “Canada Brand” symbol. In the end only 62 replies came back, meaning each answer cost roughly \$1,000.

- Cost: \$61,611²⁰⁷

Despite repeated denials, the Canada Mortgage and Housing Corporation paid \$250,000 for a study that would include an examination of “tax policy that privileges home ownership,” including a home equity tax, according to documents obtained by the Canadian Taxpayers Federation.

- Cost: \$250,000²⁰⁸

Documents show the CMHC spent over \$900,000 on a plan to change its name, even though former CEO Evan Siddall told a parliamentary committee that no tax dollars had been spent on the project.

- Cost: \$924,614²⁰⁹

Canadian taxpayers paid close to \$10,000 to help author Margaret Atwood promote a new book in Australia.²¹⁰

²⁰⁵ Blacklock’s Reporter, “Weekend Flights Cost \$73,220,” <https://www.blacklocks.ca/weekend-flights-cost-73220/>

²⁰⁶ Canadian Taxpayers Federation, “Political parties took more than \$3.7 million through federal wage subsidy,” <https://www.taxpayer.com/newsroom/political-parties-took-more-than-3.7-million-through-federal-wage-subsidy>

²⁰⁷ Dave Naylor, “Feds spend 61K on an agriculture survey to find data that wasn’t useful,” Western Standard, https://westernstandardonline.com/2021/03/feds-spend-61k-on-an-agriculture-survey-to-find-data-that-wasnt-useful/?fbclid=IwAR09GD7NLxZMZA-U5CuwuJRGh_Zqvv9p7mD4gIQ-i-FDIgoZ6Xpj_kpDIwY

²⁰⁸ Canadian Taxpayers Federation, “CMHC spent \$250,000 on home tax study, despite denials,” <https://www.taxpayer.com/newsroom/cmhc-spent-250,000-on-home-tax-study,-despite-denials>

²⁰⁹ Canadian Taxpayers Federation, “CMHC spent over \$900,000 on stalled name change,” <https://www.taxpayer.com/newsroom/cmhc-spent-over-900,000-on-stalled-name-change>

²¹⁰ Canadian Taxpayers Federation, “Margaret Atwood’s Australian tour cost taxpayers almost \$10,000,” <https://www.taxpayer.com/newsroom/margaret-atwood%E2%80%99s-australian-tour-cost-taxpayers-almost-10,000>

- Cost: \$10,000

The Public Health Agency of Canada, the same agency responsible for throwing away millions of dollars of pandemic protective gear, spent almost \$19,000 on an executive washroom for exclusive use by its president.

- Cost: \$18,902

2019

Independent Senator Donna Dasko spent \$15,000 on a Nanos Research poll to ask Canadians on their opinions of the Senate. Many respondents said the Senate was a waste of money.

- Cost: \$15,000²¹¹

The government spent \$8,813 through the Mission Cultural Fund on a sex toy show in Germany.

- Cost: \$8,813²¹²

Taxpayers paid nearly \$800,000 in subsidies to a private radio station to serve Edmonton's French-speaking community with a population 27,000. The city already has a French-language CBC Radio service funded by taxpayers.

- Cost: \$641,483²¹³

Elections Canada paid about \$325,000 directly to 13 social media "influencers" who were supposed to star in a campaign to boost voter registration. But the agency won't be asking for any of that money back after the video campaign featuring the influencers was abruptly scrapped over concerns that some had previously been involved in activities that could be deemed partisan.

- Cost: \$325,000²¹⁴

Parks Canada tore down a fence that had only been put up 48 hours prior because it blocked a beautiful view on Signal Hill in St. John's and was described as ugly.

²¹¹ Bill Curry, "Independent senator's \$15,000 poll finds many Canadians view the Senate as a pointless waste of money," Globe and Mail, <https://www.theglobeandmail.com/politics/article-independent-senators-15000-poll-finds-many-canadians-view-the/>

²¹² Canadian Taxpayers Federation, "Ottawa funds rock star photo exhibit and double masturbator display," <https://www.taxpayer.com/newsroom/ottawa-funds-rock-star-photo-exhibit-and-double-masturbator-display?id=18600https://www.taxpayer.com/newsroom/ottawa-funds-rock-star-photo-exhibit-and-double-masturbator-display?id=18600>

²¹³ Blacklock's Reporter, "\$779,000 For Radio Station,"

²¹⁴ Amanda Connolly, "Elections Canada paid 'influencers' \$325K — but won't ask for the money back," Global News, <https://globalnews.ca/news/5416713/elections-canada-paid-influencers/>

- Cost: \$65,000²¹⁵

Federal executives billed taxpayers more than \$136,000 during the year for airline tickets that were never used.

- Cost: \$ \$136,496²¹⁶

The Department of Fisheries and Oceans spent millions of dollars a year on new computers while it sold or scrapped near-new equipment at the same time. Auditors at the Department of Fisheries also cited management for pointlessly storing thousands of old hard drives for years, even decades. “The department does not have an effective IT asset management system,” staff wrote in an internal Audit Of Information Technology Asset Management: “Inventory errors were found to be significant.”

- Cost: \$5 million per year.²¹⁷

A Hollywood-style awards night for federal communications staff left taxpayers with a \$12,450 bill. The cost of the 2019 Communications Awards Of Excellence included \$2,880 for a cocktail party where staff billed for Nova Scotia smoked salmon, Serrano ham, parmesan risotto balls, and Alberta Angus beef meatballs with bourbon barbecue glaze.

- Cost: \$12,450.²¹⁸

A new Liberal appointee to the Senate billed taxpayers \$3,250 for a single day’s coaching on how to speak to media. Senator Margaret Anderson (Independent-NWT) did not take media questions about the expense.

- Cost: \$3,250²¹⁹

The federal government gave Loblaws \$12 million to buy new energy efficient freezers and fridges.

- Cost: \$12 million²²⁰

Canadian taxpayers paid \$41,545 to study an abandoned, unheated storage barn at the prime minister’s cottage in Harrington Lake.

²¹⁵ CBC News, “Dismantled Signal Hill fence cost \$65K before outcry led to removal: Parks Canada,” <https://www.cbc.ca/news/canada/newfoundland-labrador/signal-hill-fence-cost-1.5217839>

²¹⁶ Blacklock’s Reporter, “\$136K For Flights Not Taken,” <https://www.blacklocks.ca/136k-for-flights-not-taken/>

²¹⁷ Blacklock’s Reporter, “Millions Wasted On IT: Audit,” <https://www.blacklocks.ca/millions-wasted-on-it-audit/>

²¹⁸ Blacklock’s Reporter, “Red Carpet Night Cost \$12K,” <https://www.blacklocks.ca/red-carpet-night-cost-12k/>

²¹⁹ Blacklock’s Reporter, “Senator Hired Media Coach,” <https://www.blacklocks.ca/senator-hired-media-coach/>

²²⁰ Global News, “Tories slam federal government’s decision to give Loblaws \$12M for new refrigerators,” <https://globalnews.ca/news/5148121/loblaws-refrigerator-funding-backlash/>

- Cost: \$41,545²²¹

A Canadian cartoonist responsible for the For Better or For Worse cartoon, with a career spanning several decades, received more than \$15,000 from the Mission Cultural Fund.

- Cost: \$15,799²²²

²²¹ Canadian Taxpayers Federation, "Over \$40,000 spent to study abandoned, mouldy Harrington Lake barn," <https://www.taxpayer.com/newsroom/over-40,000-spent-to-study-abandoned,-mouldy-harrington-lake-barn>

²²² Canadian Taxpayers Federation, "For Better or For Worse: Canadian cartoonist exhibit cost taxpayers \$15,799," <https://www.taxpayer.com/newsroom/for-better-or-for-worse-canadian-cartoonist-exhibit-cost-taxpayers-15,799>