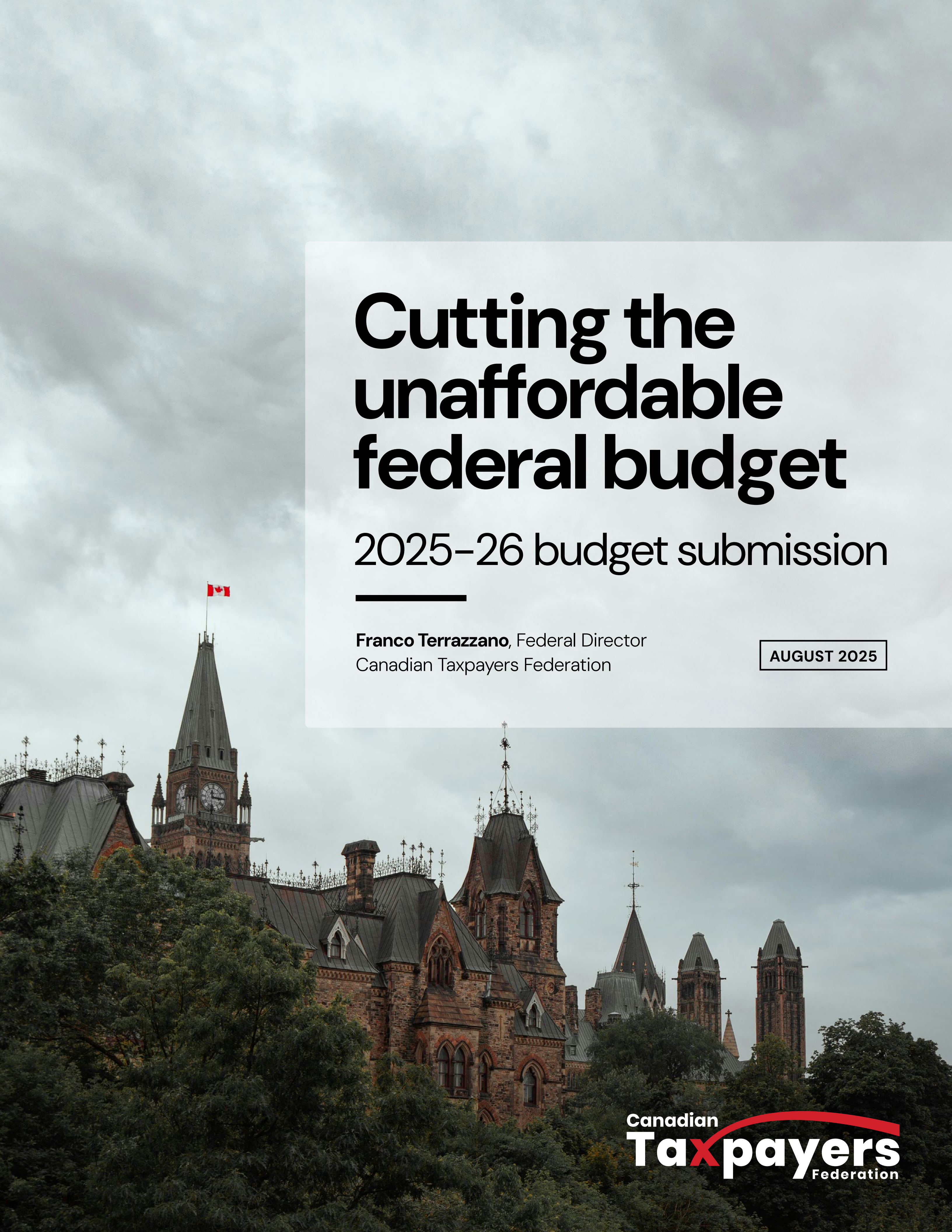

Cutting the unaffordable federal budget

2025-26 budget submission

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Canadian Taxpayers Federation

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About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation is a federally incorporated, not-for-profit citizen's group dedicated to lower taxes, less waste and accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national organization. Today, the CTF has hundreds of thousands of supporters nation-wide.

The CTF maintains a federal office in Ottawa and regional offices in British Columbia, Alberta, Prairie (SK and MB), Ontario, Quebec and Atlantic. Regional offices conduct research and advocacy activities specific to their provinces in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries, online postings and publications to advocate on behalf of CTF supporters. CTF representatives speak at functions, make presentations to government, meet with politicians, and organize petition drives, events and campaigns to mobilize citizens to affect public policy change.

Any Canadian taxpayer committed to the CTF's mission is welcome to join at no cost and receive Action Update emails. Financial supporters can additionally receive the CTF's flagship publication The Taxpayer magazine published three times a year.

The CTF is independent of any institutional or partisan affiliations. All CTF staff, board and representatives are prohibited from holding a membership in any political party. In 2023-24 fiscal year, the CTF raised $6.3 million on the strength of 74,858 donations. Donations to the CTF are not deductible as a charitable contribution. The CTF does not accept foreign funding.

Executive Summary

The federal government doubled the debt in less than a decade. This massive accumulation of debt is due to a government spending problem, not a revenue problem.

With the federal government announcing a "comprehensive spending review," the main objective of the Canadian Taxpayers Federation's 2025-26 pre-budget submission is to spotlight the wasteful spending the government should cut.

After years of runaway spending, taxpayers' benchmark for Budget 2025 is simple: total spending must decrease. The Trudeau government spent $539.5 billion in 2024-25. If the government increases spending by one cent more in 2025-26, it will get a failing grade from taxpayers. If spending goes down, it will get a passing grade from taxpayers.

Section 1 provides an overview of the federal government's spending problem, shows how the federal government put itself into its debt mess and where the federal government's budget situation is heading with the trajectory laid out in the previous budget and the Liberal Party's recent election platform.

Section 2 details Canada's uncompetitive tax system and recommends how the government can make life more affordable for Canadians and spur economic growth with tax cuts.

Section 3 critiques the government's spending review and argues the review should be more ambitious by expanding its scope to cover all areas of the budget.

Section 4 identifies specific savings the CTF is recommending the government implement. The CTF identified $34 billion in annual savings in addition to up to about $8 billion in potential one-time savings.

Summary of Recommendations:

Tax relief:

Recommendation: Scrap all carbon taxes, including the industrial carbon tax and hidden carbon tax imposed through fuel regulations.

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: Implement a Taxpayer Protection Act to outlaw tax increases and new taxes without a vote in a referendum.

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

Recommendation: End the escalator tax on alcohol and bring alcohol taxes back down to their levels before the escalator was first implemented.

Spending review:

Recommendation: Expand the scope of the spending review to find savings in every area of the budget. This includes looking for savings and removing inefficiencies in all departments, agencies and Crown corporations, all transfers, all corporate subsidies and all capital spending, in addition to reviewing and reducing operating spending.

Recommendation: Cut the government's total spending. The government spent a total of $539.5 billion in 2024-25. The CTF recommends the government spend less this year than last year.

Leadership at the top – Members of Parliament:

Recommendation: Return politician pay to pay levels at the beginning of 2020.

Recommendation: Reduce the cost of cabinet to 2015 levels under Trudeau, saving taxpayers about $4.2 million annually.

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

Recommendation: Abolish pensions for all new MPs such that any future MP is not eligible for a pension.

Recommendation: End the second pension for future prime ministers.

Leadership at the top – Governor General:

Recommendation: Reduce the salary of the governor general to the 2020 starting salary of cabinet ministers, which is $264,400.

Recommendation: Scrap the expense account for former governors general.

Recommendation: End the annual lifetime pensions for future governors general.

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

Recommendation: Subject the Office of the Governor General to access-to-information 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. At minimum, MPs should look to cut 50 per cent of the annual budget, saving taxpayers about $18 million annually.

Leadership at the top – The Senate:

Recommendation: Return the Senate's inflation-adjusted spending to its 2016-17 levels, saving taxpayers $30 million every year.

Bureaucracy:

Recommendation: Bring the bureaucracy back in line with Canada's population growth, saving taxpayers $7.4 billion annually.

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

Corporate welfare:

Recommendation: Scrap all corporate welfare, including direct cash subsidies, loans and loan guarantees. Ending corporate welfare would save taxpayers $11.2 billion annually.

Recommendation: End the federal subsidies to businesses through regional development agencies. That would save about $1.5 billion annually.

Crown corporations:

Recommendation: Immediately reduce the aggregate government funding to federal Crown corporations by 25 per cent, saving taxpayers about $3.2 billion annually.

Recommendation: Set a plan to remove all government funding to VIA Rail, Canada Post, Telefilm Canada and cut the National Capital Commission's budget in half. Then review all other Crown corporations with the goal of identifying other organizations to defund or privatize.

Recommendation: End the bonuses at Crown corporations, saving taxpayers about $196 million annually.

CBC and media subsidies:

Recommendation: Defund the CBC, saving taxpayers more than $1.4 billion annually.

Recommendation: End all media subsidies.

Equalization:

Recommendation: Reduce the size of equalization with the goal of eventually ending the program through the CTF's 10-year equalization phase out proposal. This would save taxpayers about $6.3 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.

Social Sciences and Humanities Research Council:

Recommendation: End funding to the SSHRC, saving taxpayers $1.3 billion annually.

Global Affairs:

Recommendation: Cut Global Affairs' budget by 25 per cent, saving taxpayers almost $2.2 billion annually.

Political welfare:

Recommendation: Scrap the political contributions tax credit, saving taxpayers $45 million annually.

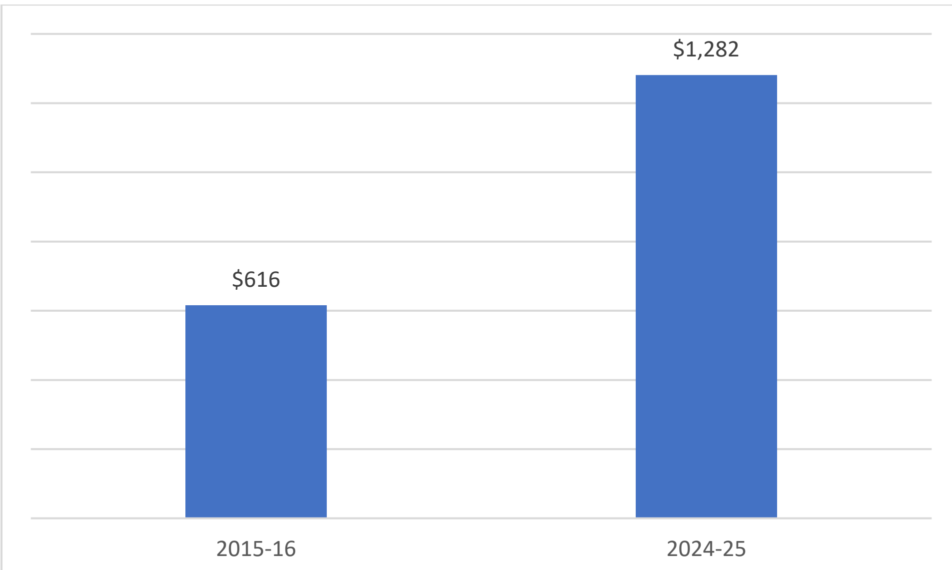
Recommendation: End the campaign reimbursements for political parties and candidates. This would save taxpayers almost $83 million.

Section 1: Ottawa's spending and debt problem

The federal government doubled the debt in less than a decade.

It took nearly two dozen previous prime ministers to rack up $616 billion of debt by the end of 2015-16. [1] The debt has more than doubled to $1.28 trillion by the end of 2024-25, as the figure below illustrates.[2]

Figure: Federal government debt 2015-16 vs 2024-25 (billions $)



The government's debt binge has a material impact on Canadians' lives.

Canadians want to leave their kids and grandkids a bright financial future. But a baby born today is already on the hook for about $30,000 in federal government debt. That debt must be paid back with interest, which means higher taxes for future generations unless the government cuts spending.

The debt isn't just a concern for future taxpayers. It also impacts all Canadians today.

Interest charges currently cost taxpayers more than $1 billion every week. That's more than the cost of building the Grande Prairie Regional Hospital.[3]

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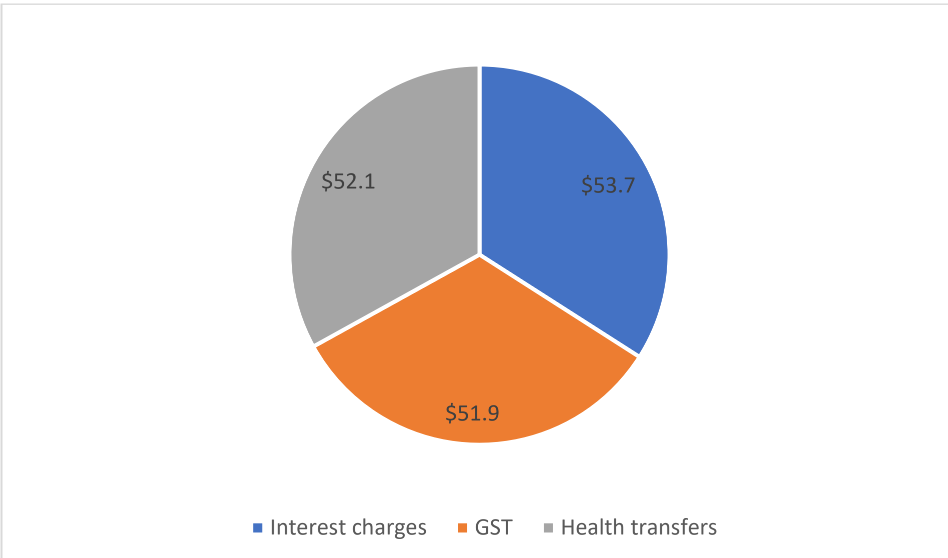
[1] Government of Canada, Budget 2017, https://www.budget.canada.ca/2017/docs/plan/budget-2017-en.pdf
[2] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf
[3] My Grande Prairie Now, "Lessons learned from lengthy Grande Prairie hospital project: Premier, Minister," https://www.mygrandeprairienow.com/95133/news/lessons-learned-from-lengthy-grande-prairie-hospital-project-premier-minister/#:~:text=The%20hospital%20opened%20to%20the,million%20project%20with%20243%20beds.

The government wasted more money on debt interest charges than it sent to the provinces in health-care transfers last year. In fact, every dollar collected through the GST went to pay interest on the debt. These comparisons are illustrated in the figure below.[4]

Figure: Debt interests charges vs. health transfers and GST revenue (2024, billions $)



The government is planning to spend $49 billion this year on interest charges through the Main Estimates alone (not considering other spending that will be detailed in supplementary estimates). For context, if debt interest were its own federal department, it would be the third largest, after Finance and Employment and Social Development, according to the Main Estimates.[5]

And as bad as the debt situation is today, the Parliamentary Budget Officer forecasts debt interest charges will cost $70 billion annually by 2029.[6]

The Liberal Party's 2025 election platform includes significantly more debt.[7] Here's a breakdown of the annual deficits in the party's fiscal and costing plan:

- 2025-26: $62 billion
- 2026-27: $60 billion

[4] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf
[5] Government of Canada, Main Estimates 2025-26, https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2025-26-estimates.html
[6] Parliamentary Budget Officer, The Government's Expenditure Plan and Main Estimates for 2025-26, https://distribution-a617274656661637473.pbo-dpb.ca/ad221c6731c047e49f0dfbe99f9da113e49e3e731c26b5a80c5f2ebe225e801e
[7] Liberal Party, Fiscal and Costing Plan 2025, https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada_Strong_-_Fiscal_and_Costing_Plan.pdf

- 2027-28: $55 billion
- 2028-29: $48 billion

If Prime Minister Mark Carney sticks to his election platform, his government would add $225 billion to the debt over four years. For comparison, the Trudeau government planned on increasing the debt by $131 billion over those years, according to the most recent Fall Economic Statement.[8]

The massive accumulation of government debt is due to a spending problem, not a revenue problem.

The federal government's spending has increased by 24 per cent since 2015, while the government's revenue increased by 14 per cent (even after accounting for inflation and population growth). The table below highlights the growth in per capita spending and revenue since 2015-16.

Table: Spending and revenue per capita growth, 2015-16 vs 2024-25 (2024 $)[9]

	Spending	**Revenue**
2015-16	$10,484.44	$10,452.60
2024-25	$12,991.02	$11,924.29
Growth	24%	14%

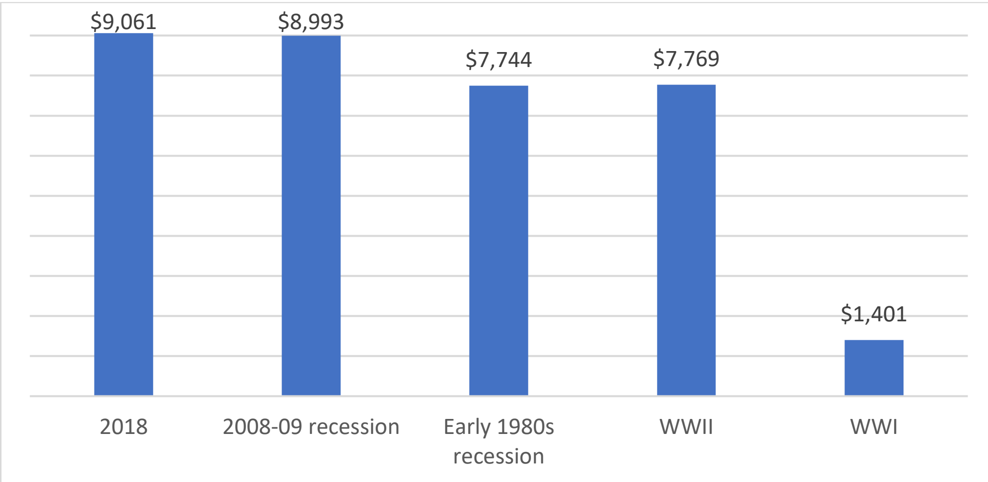
The federal government has been overspending for years. The government was spending all-time highs in 2018 even when accounting for inflation and population growth. That was before the pandemic. And it means that the federal government was spending more money in 2018 than the government did during any single year during the world wars or major economic recessions. The figure below compares the federal government's 2018 (pre-pandemic) spending with previous highs.[10]

[8] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf

[9] Spending and revenue figures for 2015-16 from Budget 2017: https://www.budget.canada.ca/2017/docs/plan/budget-2017-en.pdf; Spending and revenue figures for 2024-25 from FES 2024: https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf; Population figures from Statistics Canada: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2016&cubeTimeFrame.endMonth=01&cubeTimeFrame.endYear=2025&referencePeriods=20160101%2C20250101; Inflation-adjusted using Bank of Canada Inflation Calculator: https://www.bankofcanada.ca/rates/related/inflation-calculator/

[10] 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

Figure: Per-person spending (2021 $)



The government then used the cloud of a pandemic to go on a debt-fuelled spending spree. The federal government announced $576 billion in new spending during the pandemic. Of that new spending, $205 billion was for "non-COVID-19 measures," according to the PBO.[11]

Fast forward to today and the government continues to increase spending by billions of dollars every year.

In Budget 2023, the government promised to find "savings of $15.4 billion over the next five years."[12] However, the government increased spending by $25 billion in 2024 and planned to increase spending by $100 billion over the next five years.

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 fall economic statement. For example, the 2019 fall economic statement was the first time the government projected 2024 spending. It estimated spending would be $420.5 billion in 2024.[13] The government ended up spending $539.5 billion in 2024, according to the most recent Fall Economic Statement.[14] This ratchet effect means the government spent $119 billion more in 2024 than it originally planned.

[11] Parliamentary Budget Officer, Budget 2022: Issues for Parliamentarians, https://distribution-a617274656661637473.pbo-dpb.ca/2affe02238780197b2f57fd99bf0090bab48daaf6c30a157176c3ba0b227b791
[12] Government of Canada, Budget 2023, https://www.budget.canada.ca/2023/pdf/budget-2023-en.pdf
[13] Government of Canada, Fall Economic statement 2019, https://www.budget.canada.ca/efu-meb/2019/docs/statement-enonce/efu-meb-2019-eng.pdf
[14] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf

After a decade of runaway spending, finding savings in every area of the budget should be like finding water in the ocean. As a result, taxpayers' benchmark for Budget 2025 is simple. Will spending increase or decrease?

The Trudeau government spent $539.5 billion in 2024-25. If the government increases spending by one cent more in 2025-26, it will get a failing grade from taxpayers. If spending goes down, it will get a passing grade from taxpayers.

Section 2: Tax relief

Canadians need tax relief. A 2025 Ipsos poll shows 72 per cent of Canadians say that their current tax bill hurts their standard of living, while two-thirds say they pay too much income tax.[15]

The fastest, simplest and easiest way for the government to make all aspects of life more affordable is to stop taking so much money from Canadians in the first place.

The average Canadian family's single largest expense is taxes to all levels of government. In fact, the average Canadian family spends 42.3 per cent of its budget on taxes, while spending 33.5 per cent of its budget on food, housing and clothing combined, according to the Fraser Institute.[16] The Fraser Institute found that the average family's tax bill increased 2,784 per cent since 1961 – far outpacing the rise in consumer prices (925 per cent).

The high tax burden is also hurting Canada's economy. The Tax Foundation's 2024 *International Tax Competitiveness Index* shows Canada is falling behind many industrialized peers.[17] The index compares tax systems for 38 countries that belong to the Organisation for Economic Co-operation and Development. Key finding from the report include:

- Canada ranked 17th (out of 38) on overall tax competitiveness, which is two spots worse than the previous year's rank
- Canada ranked 31st on individual tax competitiveness
- Canada ranked 26th on business tax competitiveness
- Canada ranked 25th on property tax competitiveness

Canada ranks behind the United States on both income tax and business tax competitiveness. Weaknesses of Canada's tax system include taxing capital gains "well above" the OECD average and higher business taxes than the OECD average, according to the report.

The federal government has significantly raised taxes in recent years. For example, the government increased its consumer carbon tax every between 2019 and 2024. While the government deserves credit for ending the consumer carbon tax that was directly applied to fuels such as gasoline and natural gas, the government seems intent on keeping its industrial carbon tax on oil and gas, steel and fertilizer businesses, among others.[18]

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[15] Montreal Economic Institute, Ipsos Poll, Most Canadians say retaliatory tariffs on American goods contribute to raising the price of essential goods at home, https://www.iedm.org/taxation-in-canada-2025-ipsos-poll-commissioned-by-the-mei/

[16] Fraser Institute, Taxes versus the Necessities of Life: The Canadian Consumer Tax Index 2025 Edition, https://www.fraserinstitute.org/studies/taxes-versus-necessities-life-canadian-consumer-tax-index-2025-edition#:~:text=The%20average%20Canadian%20family%20now,56.5%25%20went%20to%20basic%20necessities

[17] Tax Foundation, International Tax Competitiveness Index 2024, https://taxfoundation.org/wp-content/uploads/2024/10/International-Tax-Competitiveness-Index-2024-FV.pdf

[18] Government of Canada, Output-Based Pricing System Regulations, https://laws-lois.justice.gc.ca/eng/regulations/SOR-2019-266/page-12.html

During the Liberal Party leadership race, then-candidate Mark Carney said he would "improve and tighten" the industrial carbon tax and extend the "framework to 2035." Carney also said that by "changing the carbon tax … We are making the large companies pay for everybody."[19]

However, a Leger poll commissioned by the Canadian Taxpayers Federation shows that 70 per cent of Canadians believe businesses will pass on most or some of the cost of the industrial carbon tax to consumers through higher prices. Just nine per cent of Canadians believe Carney that businesses will pay most of the cost of his carbon tax. The rest were unsure.[20] Carney must be clear with Canadians and provide a clear answer to this simple question: how much will your industrial carbon tax cost?

The federal government also imposed a hidden carbon tax buried in fuel regulations. When the regulations are fully implemented by 2030, this hidden carbon tax will cost the average family up to $1,100. And there are no rebates with this hidden carbon tax. The table below shows the cost of the hidden carbon tax to the average family in each province by 2030, according to the Parliamentary Budget Officer.[21]

Table: Cost of hidden carbon tax in 2030 for average household, per PBO

Province	**Cost**
British Columbia	$384
Alberta	$1,157
Saskatchewan	$1,117
Manitoba	$611
Ontario	$495
Quebec	$436
New Brunswick	$501
Nova Scotia	$635
Prince Edward Island	$569
Newfoundland and Labrador	$850

The government is also taking more money from Canadians' paycheques with higher payroll taxes.

The federal government increased the mandatory Canada Pension Plan and Employment Insurance contributions in 2025. These payroll tax increases will cost a worker up to $403 this

[19] Castanet News, Carney in Kelowna, https://www.youtube.com/watch?v=CegTGNAPrNg&t=209s
[20] Leger, Industrial Carbon Tax Survey, https://www.taxpayer.com/media/industrial-carbon-tax-leger-ctf-2.pdf
[21] Parliamentary Budget Officer, A Distributional Analysis of the Clean Fuel Regulations, https://distribution-a617274656661637473.pbo-dpb.ca/e884599e101a53a3388d8c69884637f349b215fa483ca0089301ecb897da02b1

year. For workers making $81,200 or more, federal payroll taxes (CPP and EI tax) will cost them $5,507 in 2025. Their employer will also be forced to pay $5,938.[22]

The government also imposed an online streaming tax, "requiring online streaming services to contribute five per cent of their Canadian revenues to support the Canadian broadcasting system."[23] This is another tax where higher costs will be passed on to consumers.

"As Canada's affordability crisis remains a significant challenge, the government needs to avoid adding to this burden," said Graham Davies, President and CEO of the Digital Media Association, who likened the announcement to a "discriminatory tax."[24]

"At a time when affordability is a major concern, Canadian consumers should prepare for a new Bill C-11 fee on their bill," warns University of Ottawa Law Professor Michael Geist.[25]

On April 1, 2025, the government increased its alcohol tax by two per cent, costing taxpayers $40 million this year, according to Beer Canada estimates.

First passed in the 2017 federal budget, the alcohol escalator tax automatically increases excise taxes on beer, wine and spirits every year by the rate of inflation, without a vote in Parliament. The alcohol escalator tax has cost taxpayers more than $900 million since it was imposed in 2017, according to Beer Canada estimates.

In addition to these recent tax hikes, there have also been calls for new taxes on homes,[26] along with a wealth tax, so-called excess profits tax, along with higher business taxes.[27]

The CTF is calling on the federal government to reverse recent tax hikes and reject future tax increases. The CTF is also calling on the government to implement a Taxpayer Protection Act to outlaw tax increases and new taxes without asking taxpayers first in a referendum.

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[22] Canadian Taxpayers Federation, New Year's Tax Changes, https://www.taxpayer.com/media/new-years-tax-changes-ctf-2025.pdf

[23] Government of Canada, CRTC requires online streaming services to contribute to Canada's broadcasting system, https://www.canada.ca/en/radio-television-telecommunications/news/2024/06/crtc-requires-online-streaming-services-to-contribute-to-canadas-broadcasting-system.html

[24] Globe and Mail, "Consumers may face higher prices after streaming giants told to invest $200-million in Canadian film, TV and music," https://www.theglobeandmail.com/politics/article-canada-broadcasting-streaming-platforms-bill-c-11/?utm_source=dlvr.it&utm_medium=twitter

[25] Michael Geist, CRTC Bill C-11 Ruling "Makes Web Giants Pay" But it is Canadian Consumers That Will Get the Bill, https://www.michaelgeist.ca/2024/06/crtc-bill-c-11-ruling-makes-web-giants-pay-but-it-is-canadian-consumers-that-will-get-the-bill/

[26] 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

[27] 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

To its credit, the Carney government cut income taxes. The government reduced the lowest income bracket by half a percentage point on July 1, 2025, and promises to cut it by a full percentage point in 2026. However, this relief is modest. The average taxpayer will only save $110 on income taxes in 2025 and $190 in 2026 when the full income tax cut is implemented, according to the PBO.[28]

In the following sections, the CTF recommends the government expand its spending review so it can stop borrowing money and significantly cut taxes for Canadians without increasing the debt.

Recommendation: Scrap all carbon taxes, including the industrial carbon tax and hidden carbon tax imposed through fuel regulations.

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: Implement a Taxpayer Protection Act to outlaw tax increases and new taxes without a vote in a referendum.

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

Recommendation: End the escalator tax on alcohol and bring alcohol taxes back down to their levels before the escalator was first implemented.

[28] Parliamentary Budget Officer, Reducing the lowest federal personal income tax rate to 14 per cent, https://www.pbo-dpb.ca/en/publications/LEG-2526-002-S--reducing-lowest-federal-personal-income-tax-rate-14-per-cent--reduire-14-taux-plus-bas-impot-federal-revenu-particuliers

Section 3: Spending review

Cabinet ministers have been tasked with finding savings through a spending review. While the directive has not been made public, media reports indicate that cabinet ministers have been tasked with reducing operating spending by up to 15 per cent by the end of 2028-29.

Operating spending is only one aspect of the federal budget and tends to refer to spending on employee compensation and other day-to-day costs of running the government along with some transfers. While the documents that direct the spending review have not been published, it appears the spending review will *not* include many of the large transfers to individuals and other levels of government, including:

- Canada Health Transfer ($54.7 billion)
- Canada Social Transfer ($17.4 billion)
- Equalization ($26.2 billion)
- Transfers to territories ($5.5 billion)
- Other health agreements with the provinces ($4.3 billion)
- Child-care funding ($7.9 billion)
- Canada Community-Building Fund ($2.5 billion)
- Elderly benefits ($85.5 billion)
- Employment Insurance ($28.8 billion)
- Canada Child benefit ($29.6 billion)[29]

All told, the major transfers to individuals and other governments, which the government appears to be excluding from its spending review, will cost $255 billion this year – or about 72 per cent of all federal transfers.[30]

There are three issues with this spending review.

First, the review is too narrow because it doesn't cover the entire federal budget. In fact, it will cover only about one-third of the government's program spending (defined as total spending less debt interest charges).[31]

"The federal government's 'comprehensive spending review' is a misnomer," according to a C.D. Howe Institute report.[32] "Its narrow focus and carve outs limit the effective coverage to about a third of program spending.

[29] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf
[30] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf
[31] C.D. Howe Institute, Federal Expenditure Review: Welcome, But Flawed, https://cdhowe.org/publication/federal-expenditure-review/
[32] C.D. Howe Institute, Federal Expenditure Review: Welcome, But Flawed, https://cdhowe.org/publication/federal-expenditure-review/

"By excluding large swaths of program spending through exemptions and carveouts, the review will cover only about a third of total spending, limiting potential savings to an estimated $22 billion in 2028-29 – far below the roughly $50 billion needed to put federal finances on a fair and prudent path. To maximize the benefits of expenditure restraint, the review must expand to cover all areas of government spending."[33]

Second, total spending is likely to continue to increase as the government has announced major new spending, including on defence.

This was the main flaw of the government's previous spending review, which it launched in Budget 2023.

Budget 2023 promised to find "savings of $15.4 billion over the next five years."[34] Despite this promise, total federal spending increased by $25 billion in 2024, and the government planned to increase spending by another $100 billion over the next five years.[35] So even though the government may have found savings in some areas of the budget, the government was still planning to increase overall spending by billions of dollars every year.

The government hasn't given taxpayers any reason to believe that the result of this spending review will be any different: relatively small savings in some areas of the budget while total spending continues to increase. The fundamental issue with this approach is that higher total spending in future years will be layered on top of massive spending increases that occurred over the last decade, as outlined in Section 1 of this budget submission.

As Andrew Coyne wrote in the *Globe and Mail*, "those [savings] are almost certainly cuts from what spending would otherwise have been, not from where it is now."[36] In other words, the government may spend slightly less than what it was planning, but total government spending is likely to increase.

The third issue is that these proposed savings don't go nearly far enough.

If the government cut total program spending by 15 per cent immediately, program spending would drop from $485.7 billion last year to $412.8 billion this year. That would still be more than $15 billion higher than the inflation-adjusted program spending in 2018-19, which was the last full fiscal year before the pandemic. So even if the government cut its total program

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[33] C.D. Howe Institute, Federal Expenditure Review: Welcome, But Flawed, https://cdhowe.org/publication/federal-expenditure-review/
[34] Government of Canada, Budget 2023, https://www.budget.canada.ca/2023/pdf/budget-2023-en.pdf
[35] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf
[36] Globe and Mail, "The Liberals launch another expenditure review: This time, we mean it," https://www.theglobeandmail.com/opinion/article-the-liberals-launch-another-expenditure-review-this-time-we-mean-it/

spending by 15 per cent this year it would still be spending billions more than the all-time highs of 2018-19.

This analysis was done to illustrate how significant the government's spending has increased in recent years and that the current spending review lacks ambition. The government must commit to further spending reductions to ensure Canadians that it will not increase taxes.

Recommendation: Expand the scope of the spending review to find savings in every area of the budget. This includes looking for savings and removing inefficiencies in all departments, agencies and Crown corporations, all transfers, all corporate subsidies and all capital spending, in addition to reviewing and reducing operating spending.

Recommendation: Cut the government's total spending. The government spent a total of $539.5 billion in 2024-25.[37] The CTF recommends the government spend less this year than last year.

[37] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf

Section 4: Recommendations for savings

There are so many ways for the government to cut spending and save taxpayers significant amounts of money. The CTF identified $34 billion in annual savings. The CTF also identified almost $8 billion in one-time savings.

Savings	**Annual**	**One-time**
Members of Parliament	$4,176,400	
Governor General	$18,008,043	
Senate	$30,011,937	
Bureaucracy	$7,388,647,777	
Corporate welfare	$11,150,000,000	
Crown corporations	$3,198,804,250	
Crown corporation bonuses	$195,637,952	
VIA Rail	$912,300,000	
National Capital Commission	$95,797,500	
Telefilm Canada	$171,050,000	
Canada Post		$5,009,000,000
CBC	$1,425,237,411	
Media subsidies	$33,500,000	
Equalization	$6,264,000,000	
Gun ban and buyback		$2,647,000,000
Social Sciences and Humanities Research Council	$1,328,398,028	
Global Affairs	$2,170,027,750	
Political Contributions Tax Credit	$45,000,000	
Election reimbursements		$82,700,000
Total	**$34.4 billion**	**$7.7 billion**

1. Leadership at the top: Members of Parliament

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

Before going on strike in 2023, federal government unions pointed to "the yearly salary increases of senators and members of Parliament" as a reason bureaucrats should be given more tax dollars.[38] With the government's labour costs accounting for 52.3 per cent of its operating budget, the government must reduce bureaucracy costs to balance the budget.[39] And to do that MPs will need to show leadership by reining in their own pay.

MPs continued to increase their own salary during the pandemic and affordability crisis. MPs have given themselves six pay raises since the beginning of 2020. The MP pay raises range between an extra $30,900 for a backbencher to an extra $61,800 for the prime minister. The salaries of MPs and their pay hikes are highlighted in the table below.[40]

Table: Politician pay raises since 2020

Position	Salary beginning of 2020	Current salary	Increase
Senator	$153,900	$184,800	$30,900
MP	$178,900	$209,800	$30,900
Minister	$264,400	$309,700	$45,300
Prime Minister	$357,800	$419,600	$61,800

MPs take 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.[41] The federal government stopped the automatic pay raises between 2010 and 2013 in response to the 2008-09 recession.[42]

In addition to bigger salaries, the cost of cabinet has also increased over the decade. Former prime minister Justin Trudeau's first cabinet consisted of 30 other ministers, whose salaries cost taxpayers about $7.8 million annually. Prime Minister Mark Carney's current cabinet consists of

[38] Public Interest Commission Brief of the Public Service Alliance of Canada, https://psacunion.ca/sites/psac/files/590-02-44772_bargaining_agent_pa_pic_brief_en.pdf
[39] Parliamentary Budget Officer, Personnel Expenditure Analysis, https://distribution-a617274656661637473.pbo-dpb.ca/b6aaf0274b613d1d86debb6e038f8794194733225f5dc2b4bc99f712c6c6f343
[40] Library of Parliament, Indemnities, Salaries and Allowances, https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries
[41] Government of Canada, "Parliament of Canada Act," https://laws-lois.justice.gc.ca/eng/acts/p-1/index.html
[42] Globe and Mail, "Liberals mum, as Tories, NDP say they would support MP pay freeze," https://www.theglobeandmail.com/politics/article-liberals-mum-as-tories-ndp-say-they-would-support-mp-pay-freeze/

28 ministers and 10 secretaries of state. That means the current cabinet costs taxpayers $11.9 million in salaries alone, or about $4.2 million more than Trudeau's first cabinet.[43]

The government needs to trim MPs' retirement perks.

At $209,800, the base salary for an MP is nearly triple the average annual salary of full-time Canadian workers, which was about $70,000 in 2024, according to Statistics Canada.[44] 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 that's worth half of their annual salary. At the current rate, that severance would amount to $104,900, which is more than the average annual salary in Canada. Severances following the 2025 federal election cost taxpayers about $6.6 million. Three former MPs received a full severance, despite holding office for less than a year.[45]

In addition to the severance, former MPs can tap into a $15,000 transition support slush fund 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.

CTF 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 in governments, provincial politicians and mayors.[46]

MPs also receive costly taxpayer-funded pensions.

MPs that were defeated or retired in the 2025 election will collect about $5 million in annual pension payments, reaching a cumulative total of about $187 million by age 90. There are a dozen former MPs that will collect more than $100,000-plus a year in pension income.

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[43] Size of cabinets: https://www.ourcommons.ca/members/en/ministries?ministry=29&precedenceReview=78&province=all&gender=all; cost of salaries: https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries
[44] Statistics Canada, "Employee wages by Industry, annual," https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410006401
[45] Canadian Taxpayers Federation, CTF releases pension and severance figures for 2025 federal election, https://www.taxpayer.com/newsroom/ctf-releases-pension-and-severance-figures-for-2025-federal-election
[46] Canadian Taxpayers Federation, "Ex-MPs bill taxpayers for ivy league education," https://www.taxpayer.com/newsroom/ex-mps-bill-taxpayers-for-ivy-league-education

Trudeau will collect two taxpayer-funded pensions in retirement. Combined, those pensions total $8.4 million, according to CTF estimates. Trudeau is also taking a $104,900 severance payout because he did not run again as an MP.

The payouts for Trudeau's MP pension will begin at $141,000 per year when he turns 55 years old. It will total an estimated $6.5 million should he live to the age of 90. The payouts for Trudeau's prime minister pension will begin at $73,000 per year when he turns 67 years old. It will total an estimated $1.9 million should he live to the age of 90.[47]

Recommendation: Return politician pay to pay levels at the beginning of 2020.

Recommendation: Reduce the cost of cabinet to 2015 levels under Trudeau, saving taxpayers about $4.2 million annually.

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

Recommendation: Abolish pensions for all new MPs such that any future MP is not eligible for a pension.

Recommendation: End the second pension for future prime ministers.

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 2019, the governor general's salary increased by $75,200 to $378,000. The table below highlights the governor general's recent annual salary increases.[48]

Table: Governor General's annual salary

Year	Salary
2025	$378,000
2024	$362,800
2023	$351,600
2022	$342,100
2021	$328,700

[47] Canadian Taxpayers Federation, CTF releases pension and severance figures for 2025 federal election, https://www.taxpayer.com/newsroom/ctf-releases-pension-and-severance-figures-for-2025-federal-election
[48] Canadian Taxpayers Federation, Governor General pockets another pay raise, salary now $378,000, https://www.taxpayer.com/newsroom/governor-general-pockets-another-pay-raise,-salary-now-378,000

2020	$310,100
2019	$302,800

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 former governor general 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 general [49]

Governor General	**Pension to age 90**
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 bill taxpayers for $206,040 per year in expenses for the rest of their lives and up to six months after their death. For the five former governors general, the expense account could cost taxpayers up to $1 million every year.[50]

Substantial amounts of waste at Rideau Hall have come to light in recent years. 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. The total tab for in-flight catering was about $100,000.[51]
- The week-long trip to the Middle East for Expo 2020 cost more $1 million.[52]

[49] 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

[50] 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

[51] 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

[52] 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

- The four-day visit to Germany cost taxpayers $700,000 and included $103,000 in in-flight catering costs.[53]
- The governor general spent $71,000 at "Icelimo Luxury Travel" during a four-day trip to Iceland, all of which cost taxpayers a total of $298,000.[54]
- The governor general's travel during her first year in office cost taxpayers almost $3 million.[55]
- 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.[56]
- 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.[57]

Considering the extravagance and wasteful spending at Rideau Hall, the government needs to implement three key reforms.

First, the government should post all receipts online and Rideau Hall should be subject to access-to-information legislation. As the *National Post* explained, "the Office of the Secretary to the Governor General is not subject to access-to-information requests."[58] 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 pay 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.

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[53] 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

[54] 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

[55] 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

[56] 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

[57] 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

[58] 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

Third, the government needs to cut the governor general's budget. The Office of the Governor General cost taxpayers about $36 million in 2023-24 – a six per cent increase over the previous year.[59] At minimum, MPs should look to cut 50 per cent of its annual budget, saving taxpayers about $18 million annually.

Recommendation: Reduce the salary of the governor general to the 2020 starting salary of cabinet ministers, which is $264,400.

Recommendation: Scrap the expense account for former governors general.

Recommendation: End the annual lifetime pensions for future governors general.

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

Recommendation: Subject the Office of the Governor General to access-to-information 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 every spending decision to be justified. At minimum, MPs should look to cut 50 per cent of the annual budget, saving taxpayers about $18 million annually.

3. Leadership at the top: The Senate

Senators took six pay raises since the beginning of 2020 when the base salary for a senator was $153,900. A senator's base salary is now $184,800.[60]

The cost of the senate has ballooned. The inflation-adjusted cost of the senate has increased by more than $30 million, or 25 per cent, between 2016 and 2023, which is the last year where actual spending is published in financial statements.[61]

[59] Office of the Secretary to the Governor General, Financial statements 2023-24, https://www.gg.ca/sites/default/files/media/the_office/AR_RA/2023-2024-osgg-financialstatements.pdf
[60] Library of Parliament, Indemnities, Salaries and Allowances, https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries
[61] Senate of Canada, Financial Reports, https://sencanada.ca/en/ProActive/

The Senate's spending is also increasing. The Senate's spending in 2023-24 was $126.7 million.[62] The Senate is planning to spend $139 million this year, a 10 per cent increase.[63]

Labour costs are a significant cost driver of the Senate's budget, making up 78 per cent of its spending.[64] The "salaries and benefits" paid out by the Senate have also increased by $29 million or 46 per cent between 2016 and 2023.[65]

Recommendation: Return the Senate's inflation-adjusted spending to its 2016-17 levels, saving taxpayers $30 million every year.

4. Bureaucracy

To cut spending, the government needs to shrink the bureaucracy. 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.[66]

The federal bureaucracy cost taxpayers $40.2 billion in 2016-17.[67] The bureaucracy cost taxpayers $71.2 billion in 2024-25, according to the PBO.[68] That means the cost of the bureaucracy ballooned 77 per cent in less than a decade as the figure below illustrates. In fact, even after adjusting for inflation, the cost of the bureaucracy increased by $21 billion between 2016 and 2024.

Figure: Cost of the federal bureaucracy, 2016-17 vs 2024-25 (billions $)

[62] Senate of Canada, Planned Spending 2023-24, https://sencanada.ca/ProactiveDisclosure/ps/FinProc_RPT_Main%20Estimates_2023-2024_Proactive%20Disclosure_E_2023-02-16_Final.PDF

[63] Senate of Canada, Planned Spending 2025-26, https://sencanada.ca/ProactiveDisclosure/ps/FinProc_RPT_Main%20Estimates_2025-2026_Proactive%20Disclosure_E.pdf

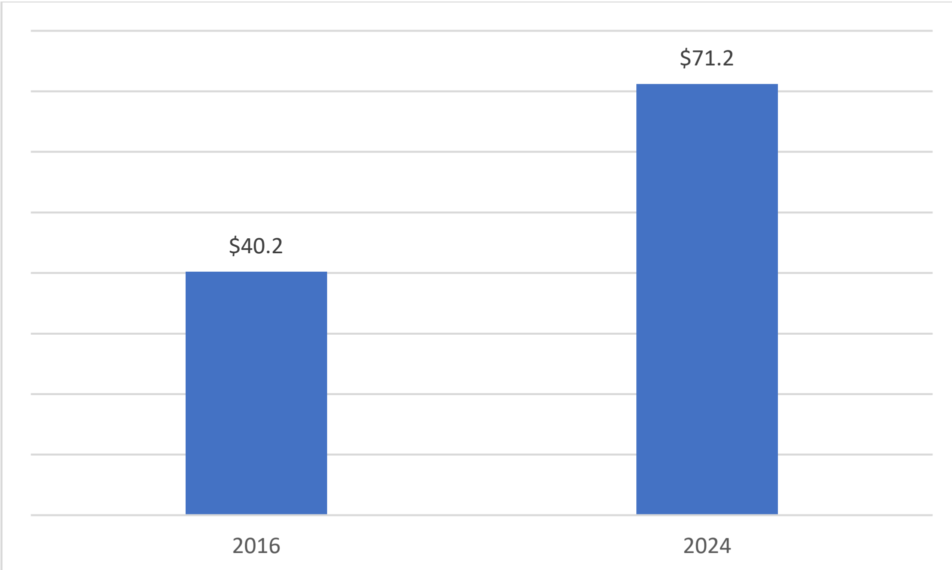
[64] Labour costs is defined as the total of "personnel" + "employee benefit plans" + "senators' salaries" in its planned spending report: https://sencanada.ca/ProactiveDisclosure/ps/FinProc_RPT_Main%20Estimates_2025-2026_Proactive%20Disclosure_E.pdf

[65] Senate of Canada, Financial Statements, https://sencanada.ca/en/ProActive/

[66] Parliamentary Budget Officer, "Personnel Expenditure Analysis, April 2023, https://distribution-a617274656661637473.pbo-dpb.ca/b6aaf0274b613d1d86debb6e038f8794194733225f5dc2b4bc99f712c6c6f343

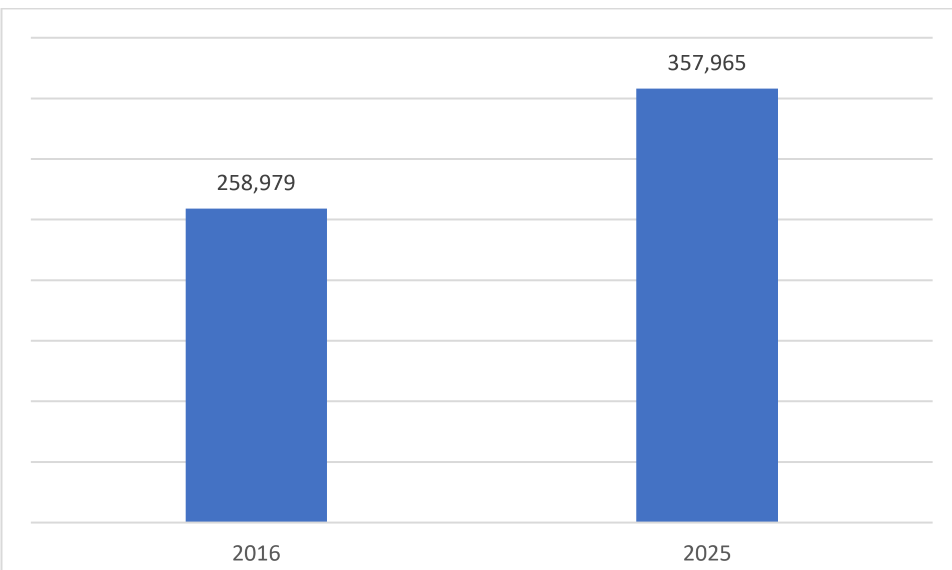
[67] Parliamentary Budget Officer, Supplementary Estimates (B) 2024-25, https://distribution-a617274656661637473.pbo-dpb.ca/ffe713311ffc8d98fcd775fad76a2072a008884eda2b81d12c0af63b6bee647d

[68] Parliamentary Budget Officer, Economic and Fiscal Outlook March 2025, https://distribution-a617274656661637473.pbo-dpb.ca/92c62a1693230bf441637127bc5435ebfc63bce9e2989c5672bfd8f0ba540a4e



A key reason for the massive increase in labour costs is the federal hiring spree that took place. As the figure below illustrates, the federal government hired 99,000 extra bureaucrats between March 2016 and March 2025 – a 38 per cent increase.[69]

Table: Number of federal bureaucrats, March of each year



While the federal bureaucracy grew by 38 per cent, Canada population grew by about 16 per cent. Had the bureaucracy only increased with population growth, there would be 58,968 fewer federal employees today. The average compensation for a full-time federal bureaucrat is

[69] 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#table1-fn2-1-rf

$125,300 when salary, pension and other perks are factored in, according to the PBO.[70] That means taxpayers would save about $7.4 billion annually had the bureaucracy grown in line with population since 2016. Even with those savings, the government would still be spending more on the bureaucracy than it did in 2021-22.[71]

There are seven federal departments and agencies that have more than doubled their number of employees since 2016,[72] including:

- Infrastructure Canada (375 per cent)
- Women and Gender Equality Canada (334 per cent)
- RCMP External Review Committee (229 per cent)
- Elections Canada (173 per cent)
- Immigration and Refugee Board of Canada (158 per cent)
- Financial Consumer Agency of Canada (154 per cent)
- Impact Assessment Agency of Canada (127 per cent)

Employment and Social Development Canada added the greatest number of employees since 2016. The department added 16,842 employees since 2016 – a 75 per cent increase.

The Canada Revenue Agency added the second greatest number of employees over the decade. The CRA added 13,015 employees since 2016 – a 33 per cent increase.[73]

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

The government rubberstamped more than one million pay raises to federal bureaucrats since 2020, according to access-to-information records obtained by the CTF.[74]

There is also a greater number of higher paid federal government employees. Unlike most 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 obtained 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.

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[70] Parliamentary Budget Officer, Personnel Expenditure Analysis, https://distribution-a617274656661637473.pbo-dpb.ca/b6aaf0274b613d1d86debb6e038f8794194733225f5dc2b4bc99f712c6c6f343

[71] Parliamentary Budget Officer, Supplementary Estimates (B) 2024-25, https://distribution-a617274656661637473.pbo-dpb.ca/ffe713311ffc8d98fcd775fad76a2072a008884eda2b81d12c0af63b6bee647d

[72] Treasury Board of Canada Secretariat, Population of the federal public service by department or agency, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

[73] Treasury Board of Canada Secretariat, Population of the federal public service by department or agency, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

[74] Federal government access to information requests, https://www.taxpayer.com/newsroom/generous-justin-trudeau-hands-out-one-million-raises-in-four-years

Nearly 147,000 federal bureaucrats took home a six-figure base salary in 2024, according to access-to-information records obtained by the CTF. Those salaries cost taxpayers at least $18.9 billion in 2024. The records obtained by the CTF only detail base salary and do not include the cost of other benefits paid out to bureaucrats.[75]

Since 2015, the number of federal bureaucrats taking at least $100,000 in base salary spiked by 238 per cent, as shown in the table below.

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
2023	110,593
2024	146,786

The government also rubberstamped more than $406 million in bonuses to federal departments and Crown corporations in 2023-24, according to government records obtained by the CTF.[76]

Bureaucrats working in federal departments and agencies took home about $211 in taxpayer-funded bonuses in 2023-24. Meanwhile, bureaucrats working in federal Crown corporations took about $196 in bonuses. This pushes total bonuses for bureaucrats working in federal departments to more than $1.5 billion since 2015.

[75] Federal government access to information requests, https://www.taxpayer.com/newsroom/nearly-147,000-federal-bureaucrats-take-six-figure-salary

[76] Federal government response to order paper question, https://www.taxpayer.com/newsroom/feds-dish-out-406-million-in-bonuses-in-2023?gad_source=1&gclid=EAIaIQobChMIq6qM57mMiQMVtklHAR1LMwGIEAAYASAAEgLI7vD_BwE

About 90 per cent of government executives take a bonus every year,[77] despite a report from the PBO finding that "less than 50 per cent of [performance] targets are consistently met" each year.[78]

The government of Canada also publishes its own data summarizing department performance results for the past five years.[79] In three of those years, departments couldn't meet half of their own targets. Their best year was 2023, when departments met 52 per cent of their own targets. The results are summarized in the table below.

Table: Percentage of performance targets met each year

Year	Percentage of targets met
2019	48.9%
2020	44.8%
2021	48.3%
2022	50.3%
2023	51.9%

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.[80]

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 then workers outside of government. The table below highlights the Fraser Institute's key findings on the compensation gap between government employees and their counterparts outside of government.

[77] Federal government access to information requests, https://www.taxpayer.com/newsroom/federal-bonuses-total-1.3-billion-since-2015
[78] Parliamentary Budget Officer, "The Government's Expenditure Plan and Main Estimates for 2023-24," March 2023, https://distribution-a617274656661637473.pbo-dpb.ca/bebf87487d1ff5ca83cf40817fc2a4d8f18632d0c9ba4e3e68e951fc41990f29
[79] Government of Canada, Departmental Results Reports Summary (2019-20 to 2023-24), https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/results/.-.-(panel_key.-.-'gov_drr)
[80] 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

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 CTF recommends the government cut the cost of the bureaucracy by $7.4 billion, which is how much taxpayers would save if the number of bureaucrats grew in line with Canada's population since 2016. Even with those savings, the government would still be spending more on the bureaucracy than it did in 2021-22.

Recommendation: Bring the bureaucracy back in line with Canada's population growth, saving taxpayers $7.4 billion annually.

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

5. Corporate welfare

The federal government's recent economic strategy has been centred around corporate welfare – taking money from taxpayers and giving it to select, government-approved businesses.

The costliest of the recent corporate welfare has been the subsidies to multinational corporations to build battery factories. The federal government has put taxpayers on the hook for about $31.4 billion for subsidies for battery factories and the electric vehicle supply chain.[81]

The Parliamentary Budget Officer's analysis of this corporate welfare suggests it will be a bad deal for taxpayers.

The PBO shows that it will take far longer for these corporate welfare projects to break even than the government estimates. Politicians told Canadians that taxpayers would recoup the subsidies given to Volkswagen within five years. However, the PBO projects the break-even

[81] Parliamentary Budget Officer, "Tallying Government Support for EV Investment in Canada," https://www.pbo-dpb.ca/en/additional-analyses--analyses-complementaires/BLOG-2425-004--tallying-government-support-ev-investment-in-canada--bilan-aide-gouvernementale-investissement-dans-ve-canada

points of 11 years for Northvolt, 15 years for Volkswagen and 23 years for Stellantis.[82] It's important to note that these timelines don't suggest that taxpayers will make a return on the government's spending in this time. The PBO is only projecting taxpayers may finally break even more than a decade after this government's spending.

A separate PBO report also shows government subsidies are 14 per cent more than the capital investments corporations are making in the electric-vehicle supply chain.

"For the $46.1 billion in investments (capital expenses) across the EV supply chain, PBO estimates total corresponding government support (for capital and operating expenses) to be up to $52.5 billion, which is $6.3 billion (14 per cent) higher than announced investments," according to the PBO.[83]

While the government promises jobs will be created from this corporate welfare, taxpayers should be highly sceptical of the promises made by politicians.

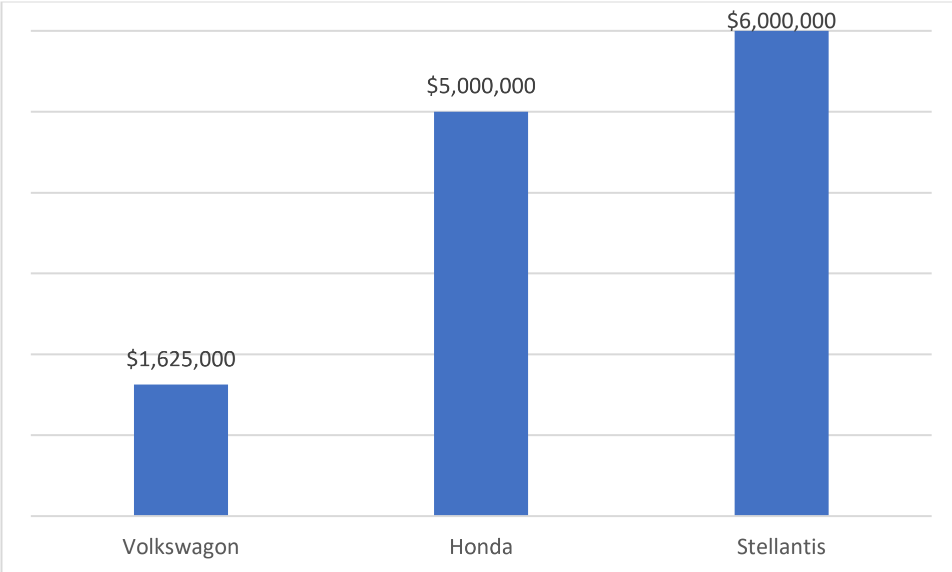
First, the taxpayer cost per job created is extremely high. As the figure below shows, the cost per job created can run into the millions of dollars.

Figure: Cost to taxpayers per job[84]

[82] Parliamentary Budget Officer, Costing Support for EV Battery Manufacturing, https://distribution-a617274656661637473.pbo-dpb.ca/eaafeb418199ab141962f0b62dae824e9ab2efa95e5baddd1fb5ad774a3fe984

[83] Parliamentary Budget Officer, "Tallying Government Support for EV Investment in Canada," https://www.pbo-dpb.ca/en/additional-analyses--analyses-complementaires/BLOG-2425-004--tallying-government-support-ev-investment-in-canada--bilan-aide-gouvernementale-investissement-dans-ve-canada

[84] Jobs figures are best estimates based on publicly reported data. For Volkswagen, news outlets report up to 8,000 jobs created if you include potential spin offs ($13 billion government subsidy): https://lfpress.com/business/local-business/thousands-of-spinoff-jobs-expected-from-vws-st-thomas-electric-battery-plant; The Honda subsidy is $5 billion and it will create 1,000 new jobs, according to media reports: https://toronto.ctvnews.ca/honda-to-get-up-to-5b-in-govt-help-for-ev-battery-assembly-plants-1.6861246; The Stellantis subsidy is $15 billion, with the subsidy expected to lead to 2,500 jobs, according to media reports: https://nationalpost.com/opinion/carson-jerema-trudeau-liberals-were-the-perfect-mark-for-electric-vehicle-grifters



Second, taxpayers should be highly skeptical of these job promises made by politicians. The government does a very poor job tracking whether jobs ever materialize from corporate welfare, according to the government's own records.

The CTF obtained internal government records on 199 corporate subsidies, totalling more than $7.1 billion in taxpayer cash, from 1996 to 2019.

In 133 of the 199 deals (66 per cent), the federal government did not create job estimates before the money went out the door. The federal government also did not follow up with the companies to determine if any jobs materialized because of the funding.

In 65 of the 199 deals (32 per cent), job estimates were created prior to the deals being struck, but the federal government did not follow up with the companies to determine if any jobs materialized.

In the lone case where follow up appears to have happened, the number of jobs created was significantly lower than predicted by the federal government when the deal was struck (10 per cent of estimated jobs materialized, according to the records).[85]

The government's corporate welfare goes far beyond recent subsidies for EV battery plants.

[85] Government of Canada access-to-information records, reported on by the Globe and Mail, "Do companies keep their job-creation promises after receiving government subsidies? Ottawa won't say," https://www.theglobeandmail.com/business/article-do-companies-keep-their-job-creation-promises-after-receiving/

Research done by the Fraser Institute shows that federal business subsidies cost taxpayers $11.2 billion in 2022.[86] That's more than double the inflation-adjusted spending on corporate subsidies in 2015. Using population data from Statistics Canada, the federal government's corporate welfare cost each Canadian family of four $1,135 in 2022.[87]

"On average, federal business subsidies represented 13.2 per cent of federal corporate income-tax revenue over the period from 2007 to 2019," according to the Fraser Institute.

Even this estimate may be understated. A 2018 report from the University of Calgary estimated the federal government's business subsidies totaled $14 billion in 2014 alone.[88]

As the table below shows, the federal government also subsidizes businesses through its seven regional development agencies. The CTF estimates that ending those seven agencies would save taxpayers more than $1.5 billion annually.[89]

Table: Cost of Regional Development Agencies

Regional Development Agencies	**Cost**
Atlantic Canada Opportunities Agency	$362,024,356
Economic Development Agency of Canada for the Regions of Quebec	$331,229,323
Federal Economic Development Agency for Northern Ontario	$71,804,491
Federal Economic Development Agency for Southern Ontario	$267,831,501
Canadian Northern Economic Development Agency	$77,835,040
Pacific Economic Development Agency of Canada	$140,291,293
Prairies Economic Development Canada	$278,535,562
Total cost	**$1,529,551,566**

Recommendation: Scrap all corporate welfare, including direct cash subsidies, loans and loan guarantees. Ending corporate welfare would save taxpayers $11.2 billion annually.

[86] Fraser Institute, The Cost of Business Subsidies in Canada, https://www.fraserinstitute.org/sites/default/files/cost-of-business-subsidies-in-canada-updated-edition.pdf
[87] Statistics Canada, Population estimates, quarterly, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2016&cubeTimeFrame.endMonth=04&cubeTimeFrame.endYear=2024&referencePeriods=20160101%2C20240401
[88] John Lester, University of Calgary, Business Subsidies in Canada, https://www.policyschool.ca/wp-content/uploads/2018/01/Business-Subsidies-in-Canada-Lester.pdf
[89] Government of Canada, 2025-26 Main Estimates, https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2025-26-estimates.html#id16

Recommendation: End the federal subsidies to businesses through regional development agencies. That would save about $1.5 billion annually.

6. Crown corporations

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 corporation 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 about $3.2 billion annually, according to the government's Consolidated Financial Information for Crown Corporations.

Table: Appropriations for Crown corporation[90]

Crown corporations	Cost
Atomic Energy of Canada Limited	$1,083,200,000
Canada Council for the Arts	$423,423,000
Canada Infrastructure Bank	$4,500,426,000
Canada Mortgage and Housing Corporation	$4,143,899,000
Canada Science & Technology Museums Corp.	$47,491,000
Canadian Air Transport Security Authority	$865,464,000
Canadian Commercial Corporation	$13,000,000
Canadian Dairy Commission	$4,544,000
Canadian Museum for Human Rights	$32,931,000
Canadian Museum of History	$89,945,000
Canadian Museum of Immigration at Pier 21	$10,110,000
Canadian Museum of Nature	$39,831,000
Canadian Race Relations Foundation	$6,960,000
Destination Canada	$144,729,000
Federal Bridge Corporation Limited	$4,423,000
International Development Research Centre	$158,291,000
Jacques-Cartier and Champlain Bridges Inc.	$202,701,000
Marine Atlantic Inc.	$131,829,000
National Arts Centre Corporation	$73,572,000
National Gallery of Canada	$55,480,000
Standards Council of Canada	$17,968,000

[90] Government of Canada, Consolidated Financial Information for Crown Corporations Annual Report 2022-2023, https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/inventory-government-organizations/crown-corporations-financial-data/2022-2023-annual-report.html

Windsor-Detroit Bridge Authority	$745,000,000
Total cost	**$12,795,217,000**

The CTF recommends these savings be found in addition to ending bonuses at all Crown corporations. Crown corporations paid out $196 million in bonuses in 2023-24, the last year which records are available.[91] In recent years, Crown corporations have handed out bonuses despite organizations failing. For example, the Bank of Canada handed out $20 million in bonuses in 2022, despite inflation reaching a 40-year high;[92] the Canada Mortgage and Housing Corporation handed out $132 million in bonuses since 2020, despite Canada's housing affordability crisis.[93]

The next step is for the government to liquidate, defund or sell the following Crown corporations that can and should be done by businesses or other government entities[94]:

VIA Rail: 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 to taxpayers that do not use this service. VIA Rail loses hundreds of millions of dollars every year and took $3.6 billion from taxpayers over the last five years, according to its most recent annual report.[95] Ending taxpayer funding to VIA Rail would save Canadians $912 million annually.

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 $192 million annually. Defunding the NCC and using half of its budget to contract out its current work would save taxpayers almost $96 million annually.[96]

Telefilm Canada: Private sector investment in Canada's TV and film production are at record levels.[97] There is no need to spend millions of taxpayer dollars on cultural content Canadians are not willing to pay for directly when they are spending far more voluntarily through

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[91] Order paper question, https://www.taxpayer.com/newsroom/feds-dish-out-406-million-in-bonuses-in-2023
[92] Access-to-information request, https://www.taxpayer.com/newsroom/-20-million-in-bonuses-at-bank-of-canada-despite-40-year-high-inflation
[93] Access-to-information requests, https://www.taxpayer.com/newsroom/cmhc-dished-out-30-million-in-bonuses-in-2024#:~:text=The%20Canada%20Mortgage%20and%20Housing,since%20the%20beginning%20of%202020.
[94] 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.
[95] VIA Rail, Annual Report 2024, https://media.viarail.ca/sites/default/files/publications/VIA-Rail_Annual-Report_2024.pdf
[96] Government of Canada, Consolidated Financial Information for Crown Corporations Annual Report 2022-2023, https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/inventory-government-organizations/crown-corporations-financial-data/2022-2023-annual-report.html
[97] 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/

subscriptions and streaming services. Abolishing Telefilm Canada would save taxpayers $171 million annually.[98]

Canada Post: The Government of Canada established Canada Post as a Crown corporation in 1981 with the government as its sole stakeholder.[99] The government gave Canada Post a monopoly on letter pickup and delivery.[100] Despite this advantage, Canada Post lost $3.8 billion over the last seven years.[101] 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. In fact, the federal government gave Canada Post a $1-billion bailout this year to "prevent insolvency."

Other countries like the United Kingdom, Germany,[102] Portugal,[103] the Netherlands,[104] Japan,[105] Israel,[106] Belgium,[107] Malta,[108] and Austria sold or partially privatized their government postal company.[109] In Europe, the delivery of all letters has been open to competition since 2013, effectively ending postal monopolies.[110]

"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 Osbourne, U.K. Chancellor of the Exchequer at the time of the privatization.[111]

Canada Post not only burdens taxpayers, but it also makes life more expensive for Canadians.

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98 Government of Canada, Consolidated Financial Information for Crown Corporations Annual Report 2022-2023, https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/inventory-government-organizations/crown-corporations-financial-data/2022-2023-annual-report.html

99 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

100 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

101 Canada Post, 2024 Annual Report, Our Financial Picture, https://www.canadapost-postescanada.ca/cpc/en/our-company/financial-and-sustainability-reports/2024-annual-report/our-financial-picture.page

102 Associated Press, https://apnews.com/article/germany-deutsche-post-dhl-shares-government-4037767ccaa550bbdd8cf795e828e7be

103 Post & Parcel, https://postandparcel.info/62636/news/portugal-completes-sale-of-ctt-group/

104 Dutch News, https://www.dutchnews.nl/2006/11/privatisation_of_tnt_completed/

105 The Japan Times, https://www.japantimes.co.jp/news/2021/10/06/business/japan-post-share-sell/

106 The Jerusalem Post, https://www.jpost.com/breaking-news/article-829130

107 Post & Parcel, https://postandparcel.info/13659/news/post-danmark-cvc-buy-stake-in-belgian-postal-service-for-eur300-million/

108 Time of Malta, https://timesofmalta.com/article/cabinet-approves-sale-of-maltapost.6106

109 Post & Parcel, https://postandparcel.info/14895/news/austria-starts-postal-service-privatisation/

110 Vincent Geloso, Globe and Mail, Time to finally privatize the inefficient and ailing Canada Post, https://www.theglobeandmail.com/business/commentary/article-time-to-finally-privatize-the-inefficient-and-ailing-canada-post/

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

"Austria, the Netherlands and Germany privatized their state-owned mail services" and "in these countries, inflation-adjusted stamp prices fell between 11 and 17 per cent within 10 years," explains economist Vincent Geloso.

Contrast that with the experience of Canada Post since it became a Crown corporation.

"Almost immediately, stamp prices increased steeply, from 17 cents to 30 cents, and since then, Canada Post has consistently increased prices faster than inflation (to $1.44 today)," according to Geloso.[112]

Canada's equity in the Crown corporation is worth about $5 billion, according to Canada Post's latest annual report.[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.

In addition to defunding or selling these Crown corporations, the government should review all Crown corporations to determine which other organizations to defund, either because it is a waste of taxpayers' money or because the service could be provided by the private sector.

Recommendation: Immediately reduce the aggregate government funding to federal Crown corporations by 25 per cent, saving taxpayers about $3.2 billion annually.

Recommendation: Set a plan to remove all government funding to VIA Rail, Canada Post, Telefilm Canada and cut the National Capital Commission's budget in half. Then review all other Crown corporations with the goal of identifying other organizations to defund and or privatize.

Recommendation: End the bonuses at Crown corporations, saving taxpayers about $196 million annually.

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.

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[112] Vincent Geloso, Maclean's, Time to Privatize Canada Post, https://macleans.ca/society/privatize-canada-post/
[113] Canada Post, Annual Report 2024, https://www.canadapost-postescanada.ca/cpc/doc/en/aboutus/financialreports/2024-annual-financial-report.pdf

The CBC will cost taxpayers more than $1.4 billion this year, according to the Main Estimates.[114] Prime Minister Mark Carney also said his government would provide a "$150 million boost in annual funding" to the CBC in his election platform.[115]

The Liberal platform promised to "enshrine and protect CBC/Radio Canada by introducing legislation to establish statutory funding." The platform claims that "funding for our national public broadcaster should not be subject to the whims of government."[116] While the full details have not been released, it appears the Carney government will give a certain amount of tax dollars to the CBC – which will likely increase every year – without MPs voting on that spending. This would severely limit democratic accountability. MPs are elected to scrutinize and vote on spending, and if the CBC is to take taxpayers' money, then at the very least Canadians' elected representatives should be voting on its budget every year.

The CBC's own records show it has a bloated bureaucracy that should be cut.

CBC has more than 250 directors, 450 managers and 780 producers that are paid more than $100,000 per year, according to access-to-information records obtained by the CTF.[117] The CBC also employed 130 advisors, 81 analysts, 120 hosts, 80 project leads, 30 lead architects, 25 supervisors, among other positions, that were paid more than $100,000 last year, according to the access-to-information records. The CBC redacted the roles for more than 200 employees.

The number of employees collecting six-figure salaries has ballooned at the state broadcaster, according to separate access-to-information records obtained by the CTF.[118]

In 2024-25, 1,831 CBC employees took a six-figure salary. Those salaries cost taxpayers about $240 million, for an average salary of $131,060 for those employees. In 2015-16, 438 CBC employees took home six-figure salaries, for a total cost to taxpayers of about $60 million. The number of CBC staffers with a six-figure salary increased 17 per cent over the last year and has increased by 318 per cent since 2015.

CBC spending on pay raises has also significantly increased.

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[114] Government of Canada, Main Estimates 2025-26, https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2025-26-estimates.html
[115] Liberal Party of Canada 2025 election platform, https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada-Strong.pdf
[116] Liberal Party of Canada 2025 election platform, https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada-Strong.pdf
[117] Access-to-information records, https://www.taxpayer.com/newsroom/hundreds-of-cbc-managers,-directors-and-producers-paid-six-figures
[118] Access-to-information records, https://www.taxpayer.com/newsroom/cbc-six-figure-salaries-soar

After cancelling its taxpayer-funded bonuses, CBC handed out record high pay raises that cost $37.7 million in 2024-25.[119] This recent round of pay raises cost significantly more than raises in previous years. For context, the CBC handed out $11.5 million in raises in 2023-24.

The higher pay raises more than offset the elimination of the bonuses, which the CBC cancelled following massive public backlash across the political spectrum.

"The Board of Directors, with the advice and concurrence of the President and CEO, has decided to discontinue individual performance pay," the CBC announced on May 14, 2025. "In order to keep overall compensation at the current median level, salaries of those affected will be adjusted to reflect the elimination of individual performance pay."[120]

It's important to note that ending government funding to the CBC does not necessarily mean abolishing the CBC. The CBC brought in $493 million from non-government sources in 2023-24, according to its most recent annual report.[121] The CBC should, like all other media companies in Canada, be forced to fund itself through voluntary contribution and advertising revenue, not rely on huge taxpayer subsidies.

In addition to defunding the CBC, the government must end the subsidies to private media corporations.

Through Budget 2019, the federal government announced a $595-million media bailout through 2023-24.[122] The government announced a five-year extension of the bailout costing taxpayers another $129 million.[123] This is expected to cost taxpayers $30 million annually in the next two budget years.[124] In March 2024, the government also announced an extension of the Local Journalism Initiative which will cost taxpayers almost $60 million over the next three years.[125] Budget 2024 also announced $10 million for its Changing Narratives Fund.[126] This is

[119] Access-to-information requests, https://www.taxpayer.com/newsroom/cbc-hands-out-record-high-pay-raises-after-cancelling-bonuses
[120] CBC, Independent review of compensation at CBC/Radio-Canada, https://cbc.radio-canada.ca/en/media-centre/independent-compensation-review-results
[121] CBC, Annual Report 2023-24, https://site-cbc.radio-canada.ca/documents/impact-and-accountability/finances/2024/annual-report-2023-2024.pdf
[122] Government of Canada, Budget 2019, Tax Measures: Supplementary Information, https://www.budget.gc.ca/2019/docs/plan/budget-2019-en.pdf
[123] Globe and Mail, "Fall economic statement includes $129-million for news organizations," https://www.theglobeandmail.com/politics/article-fall-economic-statement-2023-news-organizations/
[124] Government of Canada, Tax Measures: Supplementary Information, https://www.budget.canada.ca/fes-eea/2023/report-rapport/tm-mf-en.html
[125] Government of Canada, Support for independent local journalism because you deserve to know, https://www.canada.ca/en/canadian-heritage/news/2024/03/support-for-independent-local-journalism-because-you-deserve-to-know.html
[126] Government of Canada, Changing Narratives Fund, https://www.canada.ca/en/canadian-heritage/services/funding/changing-narratives-fund.html

expected to cost taxpayers an average of $3.5 million annually over the next two budget years.[127]

Globe and Mail columnist Andrew Coyne notes that government subsidies aren't saving the news business.[128]

"Industry revenues continue to plummet – at roughly $2-billion annually and falling, they are less than half what they were a decade ago," Coyne said. "Paid circulation is likewise in freefall."

Coyne also notes that "the newspaper bailout has done nothing to reverse our long-term decline. What it has done is increase our dependence on government."

Coyne's recommendation?

"End the subsidy, and let the industry breathe on its own again."

Recommendation: Defund the CBC, saving taxpayers more than $1.4 billion annually.

Recommendation: End all media subsidies.

8. Equalization

There are four key reasons why a fundamental re-think of the equalization status quo is necessary:

I. Equalization is unfair for taxpayers in provinces that pay into equalization but don't receive any money in return;
II. Equalization encourages poor governance in recipient provinces;
III. Equalizations adds more stress on federal finances; and,
IV. Equalization is unable to meet its policy objectives because service delivery ultimately falls on other levels of government.

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[127] Government of Canada, Government of Canada to launch Changing Narratives Fund, https://www.canada.ca/en/canadian-heritage/news/2024/10/government-of-canada-to-launch-changing-narratives-fund.html

[128] Globe and Mail, "Please stop helping us: the newspaper bailout is a comprehensive policy failure," https://www.theglobeandmail.com/opinion/article-government-subsidies-are-not-saving-canadas-newspapers-its-time-to-end/

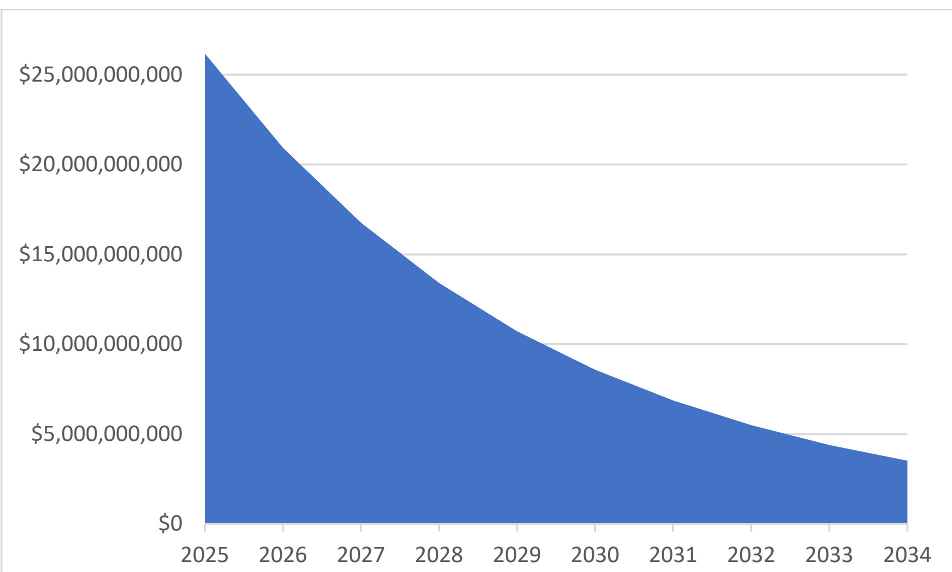
For a full analysis of these four fundamental flaws of equalization see, "Balancing the budget and providing tax relief," the Canadian Taxpayers Federation's 2024-25 pre-budget submission.[129]

The federal government should develop a plan to ween the provinces off equalization. There should come a time when provinces can be largely self-sustaining (provinces would still receive the Canada Health Transfer and Canada Social Transfer). 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 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 10-year period (last year of the program being 2034), with the annual size of the funding program declining by 20 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 also means provinces would still receive $20.9 billion through the CTF equalization proposal in 2026 and $116.8 billion by the end of the program in 2034. The figure below shows the funding model over the 10 years of the transfer arrangement.

Figure: Phasing out equalization over 10 years



The table below shows how much taxpayers would save over the next four years when comparing the projected future increases under the government's current arrangement with

[129] Canadian Taxpayers Federation, 2024-25 pre-budget submission, https://www.taxpayer.com/media/2024-CTF-Pre-Budget-Submission.pdf

the CTF's proposal. Taxpayers would save about $54 billion over the next four years with the CTF's proposal.

Table: Savings to taxpayers with CTF equalization proposal, 2026-27 to 2029-30

Year	Current equalization	CTF proposal	Taxpayer savings
2026	$27,200,000,000	$20,936,000,000	$6,264,000,000
2027	$28,300,000,000	$16,748,800,000	$11,551,200,000
2028	$29,500,000,000	$13,399,040,000	$16,100,960,000
2029	$30,700,000,000	$10,719,232,000	$19,980,768,000
Four-year savings			**$53,896,928,000**

There is nothing technically stopping the federal government from making changes to its equalization scheme and saving taxpayers money. As former Alberta finance minister Ted 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.[130]

Recommendation: Reduce the size of equalization with the goal of eventually ending the program through the CTF's 10-year equalization phase out proposal. This would save taxpayers about $6.3 billion next year compared to the status quo.

9. Gun ban and buyback

The federal government's gun ban and buyback has all the makings of a taxpayer boondoggle. Every time taxpayers hear about the costs of the scheme, it's larger.

The Liberal Party originally told voters its gun ban and buyback would cost $200 million.[131] Then in early 2021, former public safety minister Bill Blair said the costs would land "somewhere between $300 and $400 million dollars."[132]

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[130] Ted Morton, "Referendum Time?" C2C Journal, https://c2cjournal.ca/2018/04/screwing-the-west-to-pay-the-rest/

[131] 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/

[132] 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

On June 29, 2021, the Parliamentary Budget Officer released analysis showing that the cost to reimburse gunowners could reach up to $756 million.[133]

Instead of spending $756 million on reimbursing legal gun owners, the government could do more for public safety by hiring more than 1,000 new police officers for five years.[134]

And 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.[135]

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.[136] The *National Post* 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 expropriating so-called assault rifles' from licensed Canadian firearms owners would only cost between $400 million and $600 million," according to the *National Post*.[137]

Despite a massive cost, the gun buyback will be ineffective. Criminals are not going to start walking into government offices to hand over their firearms.

This gun policy targets legally owned firearms. This is a point stressed by the National Police Federation, which is Canada's largest police union. It 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.

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[133] Parliamentary Budget Officer, "Cost Estimate of the firearm buy-back program," https://distribution-a617274656661637473.pbo-dpb.ca/4196f91c9ca790eba879bf359fc2535b02af838191712fcef827a0643d71b4a7
[134] Statistics Canada, "Police resources in Canada, 2019," https://www150.statcan.gc.ca/n1/pub/85-002-x/2020001/article/00015-eng.htm
[135] 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
[136] 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
[137] 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

"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.[138]

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

10. Social Sciences and Humanities Research Council

The Social Sciences and Humanities Research Council spends more than $1 billion every year supporting "research and research training in the social sciences and humanities."[139]

This spending is in addition to the $17 billion the federal government sends to the provinces through the Canada Social Transfer every year.[140] The Canada Social Transfer is the federal transfer to the provinces for "post-secondary education, social assistance and social services, and early childhood development and early learning and childcare."[141] The money paid out through the SSHRC is also in addition to what provincial governments spend on post-secondary education every year. For example, the Alberta government will spend $6.6 billion on advanced and post-secondary education this year.[142]

There has been significant amount of waste exposed at the SSHRC. Especially with the government more than $1 trillion in debt, it should not be funding research that does not materially benefit Canadians' lives. Here are a few examples of the research the SSHRC has funded in recent years:

- Gender Politics in Peruvian Rock Music ($20,000)[143]
- Cart-ography: tracking the birth, life and death of an urban grocery cart, from work product to work tool ($105,000)[144]
- My Paw in Yours: Dead Pets and Transcendence of Species Divides in Experimental Art-Making Practice ($17,500)[145]

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[138] 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
[139] Government of Canada, Social Sciences and Humanities Research Council 2024-25 Departmental plan, https://www.sshrc-crsh.gc.ca/about-au_sujet/publications/dp/2024-2025/dp-eng.aspx
[140] Government of Canada, Fall Economic Statement 2024, https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf
[141] Government of Canada, Canada Social Transfer, https://www.canada.ca/en/department-finance/programs/federal-transfers/canada-social-transfer.html
[142] Government of Alberta, Fiscal plan, https://open.alberta.ca/dataset/5ebd05dc-d598-440b-9da2-25f37cd99a49/resource/43bccd72-36fa-41a4-becd-cb8c28da9683/download/budget-2025-fiscal-plan-2025-28.pdf
[143] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=212676&Langue=2
[144] Government of Canada, https://www.sshrc-crsh.gc.ca/results-resultats/recipients-recipiendaires/2018/cgs_doctoral-besc_doctorat-eng.aspx
[145] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=182437&Langue=2

- Playing for Pleasure: The Affective Experience of Sexual and Erotic Video Games ($50,000)[146]
- She's Still Sounding: Working towards a gender inclusive and intersectional piano curriculum ($17,500)[147]
- Re-visioning yoga and yoga bodies: Expanding modes of embodiment with non-normative bodies ($45,000)[148]
- Teens' self-fashioning of sexual and gender identities in online Harry Potter fan communities ($7,777)[149]
- Suitably Dressed: Finding Social Justice through Distinctions in Modest Fashion for Men, Women and Transgender People ($35,000)[150]
- The Intersection of Xenophobia, White Supremacy, and Colonialism in the 2019 Dismissal of Don Cherry: A Critical Discourse Analysis ($17,500)[151]
- From free speech to hate speech: examining right-wing student activism on Canadian university campuses ($35,000)[152]

Recommendation: End funding to the SSHRC, saving taxpayers $1.3 billion annually.[153]

11. Global Affairs

Global Affairs has been one of the worst waste offenders in the federal government in recent years. Examples of Global Affairs' wasteful spending include:

- Spending at least $170,000 bringing Canadian ISIS women home from Syria[154]
- Spending $51,000 per month on alcohol
- $8,800 for a sex toy show in Germany called "Whose Jizz Is This?"
- $12,500 for live stage performances of "All the Sex I've Ever Had" in Australia, Austria and Taiwan.
- $7,500 to promote Diversity, Equity and Inclusion at a music festival in Estonia.
- $1,700 for a musical called "Lesbian Pirates!"

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[146] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=214117&Langue=2
[147] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=194624&Langue=2
[148] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=189726&Langue=2
[149] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=189805&Langue=2
[150] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=215473&Langue=2
[151] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=193513&Langue=2
[152] Government of Canada, http://www.outil.ost.uqam.ca/CRSH/Detail.aspx?Cle=199814&Langue=2
[153] Government of Canada, Main Estimates 2025-26, https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2025-26-estimates.html
[154] Global News, Wine, candy and room service: How Ottawa spent $170,000 on Canadian ISIS women, https://globalnews.ca/news/11330742/canadian-isis-women-costs/

- $8,100 to organize DJ workshops in Turkey and Georgia for the LGBTQ community to "bring more diversity into the world of DJing."
- $41 million for three properties in Afghanistan, which were quickly abandoned to the Taliban.
- $12.5 million on "vacant land" in Senegal.
- $10 million for a chancery in Ukraine.
- $58 million on 23 properties in London, England that serve as "staff quarters."

Global Affairs spends about $8.7 billion annually, according to the most recent Public Accounts.[155] Given all Global Affairs' wasteful spending, the government should cut its budget by 25 per cent, saving taxpayers almost $2.2 billion annually. The government should also launch a full spending review into the department to identify and cut all wasteful spending.

Canada spends the seventh most on official development assistance among the 32 countries in the Organisation for Economic Co-operation and Development's Development Assistance Committee.[156] The OECD defines official development assistance as "government aid that promotes and specifically targets the economic development and welfare of developing countries."

"The Government of Canada disbursed $11.1 billion in international assistance in 2023-24," according to the federal government.[157]

If foreign aid were its own ministry, it would be the 11th largest out of the 29 ministries in the federal government.[158] In fact, the government spends almost twice as much on foreign aid as it does through the entire ministry of Veterans Affairs.[159]

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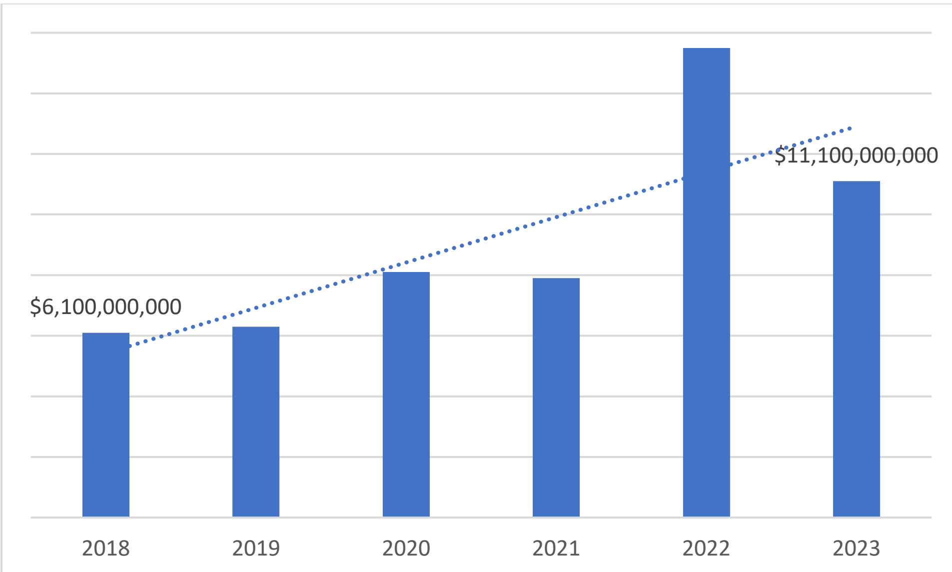
[155] Government of Canada, Public Accounts Volume II 2023-24, https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2024/pdf/2024-vol2-eng.pdf; does not include spending through Export Development Canada which saw a significant, and unexplained, increase in 2023-24. This spending is treated as one-time increase, rather than potential annual savings.
[156] OECD, Official Development Assistance (ODA) in 2023, by members of the Development Assistance Committee (preliminary data), https://public.flourish.studio/story/2315218/
[157] Government of Canada, Report to Parliament on the Government of Canada's International Assistance 2023-2024," https://www.international.gc.ca/transparency-transparence/international-assistance-report-rapport-aide-internationale/2023-2024.aspx?lang=eng
[158] Government of Canada, Public Accounts 2023-24, https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2024/pdf/2024-vol2-eng.pdf
[159] Government of Canada, Public Accounts 2023-24, https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2024/pdf/2024-vol2-eng.pdf

As the figure below illustrates, federal foreign aid has nearly doubled since 2016.[160] In fact, taxpayers would save $3.9 billion annually if spending on foreign aid was brought back to 2018-19 levels adjusted for inflation.

Figure: Foreign aid, 2018 through 2023



The majority of spending on foreign aid comes from the department of Global Affairs, which spent $6 billion of the $11.1 billion total.[161]

Recommendation: Cut Global Affairs' budget by 25 per cent, saving taxpayers almost $2.2 billion annually.

12. Political welfare

Federal political parties give themselves special 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 will cost taxpayers $45 million in 2025.[162]

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[160] Government of Canada, Report to Parliament on the Government of Canada's international assistance, previous reports, https://www.international.gc.ca/transparency-transparence/international-assistance-report-rapport-aide-internationale/index.aspx?lang=eng

[161] Government of Canada, Report to Parliament on the Government of Canada's International Assistance 2023-2024, https://www.international.gc.ca/transparency-transparence/international-assistance-report-rapport-aide-internationale/2023-2024.aspx?lang=eng

[162] Government of Canada, Report on Federal Tax Expenditures Concepts, Estimates and Evaluations 2025, https://www.canada.ca/content/dam/fin/publications/taxexp-depfisc/2025/taxexp-depfisc-25-eng.pdf

Parties and candidates also took more than $261 million in campaign expense reimbursements for the 2021,[163] 2019,[164] 2015 and 2011[165] federal elections, according to Elections Canada. The federal government should end this practice of reimbursing parties and candidates for their campaign expenses. Elections Canada estimates the reimbursements for the 2025 election will cost taxpayers almost $82.7 million.[166]

Recommendation: Scrap the political contributions tax credit, saving taxpayers $45 million annually.

Recommendation: End the campaign reimbursements for political parties and candidates. This would save taxpayers almost $83 million.

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[163] 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

[164] 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

[165] 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

[166] Elections Canada, Estimated Cost of the 45th General Election, https://www.elections.ca/content.aspx?section=res&dir=rep/off/cou&document=index45&lang=e