



Making the federal budget more affordable for taxpayers

Federal pre-budget
submission

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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 2024-25, the CTF raised \$6.6 million on the strength of 75,231 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 its debt in a decade. This massive accumulation of debt is due to a government spending problem, not revenue problem.

There are two main objectives of the Canadian Taxpayers Federation's pre-budget submission. The first is to outline how the government can become more affordable for taxpayers. The second is to show how the government could end its debt binge by sticking to its own previous spending targets.

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 finances are heading with the trajectory laid out in the previous budget and economic update. It also shows that Prime Minister Mark Carney is continuing his predecessor's plan to dramatically increase the debt.

Section 2 shows how the government could end its borrowing spree by sticking to its own planned spending.

Section 3 shows how taxes make Canada more expensive and less competitive. It provides recommendations on tax relief and shows how the government could cut taxes and still pay down debt.

Section 4 identifies specific savings the government should implement. The CTF identified more than \$60 billion in annual savings.

Summary of recommendations:

Budgetary balance:

Recommendation: Balance the budget and stop borrowing money.

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.

Recommendation: Following CTF budget recommendation, use part of the surplus to cut taxes and the rest to pay down the debt.

Members of Parliament:

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

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.

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 pension for future governors general.

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 almost \$20 million annually.

The Senate:

Recommendation: Defund the Senate, saving taxpayers \$141 million annually.

Bureaucracy:

Recommendation: Bring the cost of the bureaucracy back down to pre-2020 levels, adjusted upward for inflation. This would save taxpayers about \$16 billion annually.

Consultants, contractors and outsourcing:

Recommendation: Bring the government's spending on consultants, contractors and outsourcing to 2015-16 levels, adjusted upward for inflation. That would save taxpayers almost \$12 billion annually.

Corporate welfare:

Recommendation: Scrap all corporate welfare, including direct cash subsidies, loans and loan guarantees. Ending corporate welfare would save taxpayers \$12.1 billion annually.

Recommendation: End the federal subsidies to businesses through regional development agencies. That would save about \$1.9 billion annually.

Crown corporations:

Recommendation: Immediately reduce the aggregate government funding to federal Crown corporations by 25 per cent, saving taxpayers about \$3 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 \$190 million annually.

CBC and media subsidies:

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

Recommendation: End all media subsidies.

High-speed rail:

Recommendation: Scrap the high-speed rail project.

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 \$6.4 billion next year compared to the status quo.

Gun ban and confiscation:

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

Social Sciences and Humanities Research Council:

Recommendation: End funding to the SSHRC, saving taxpayers \$1.4 billion annually.

Global Affairs:

Recommendation: Cut Global Affairs' budget by 25 per cent, saving taxpayers almost \$2.3 billion annually.

Political welfare:

Recommendation: Scrap the political contributions tax credit, saving taxpayers \$35 million annually.

Recommendation: End the campaign reimbursements for political parties and candidates. This would save taxpayers about \$85 million.

Section 1: Overview of Ottawa's debt problem

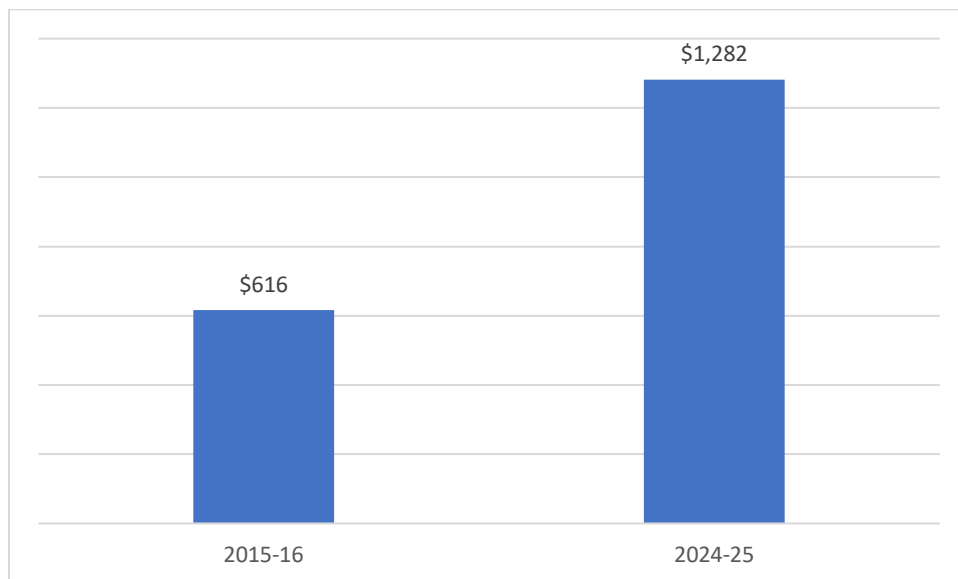
The federal government doubled the debt in less than a decade.

It took nearly two dozen previous prime ministers to rack up \$616 billion of debt by the end of 2015-16.¹ The debt 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 \$)

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>



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

If interest charges were a department, it would be the third largest, according to the government's Main Estimates.⁴ In fact, the government is wasting more money paying interest on the debt than it sends to the provinces in health-care transfers or collects through its sales tax. These comparisons are shown in the table below.⁵

Table: Debt interests charges vs. health transfers and GST revenue (2026-27)

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>.

⁴ Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

⁵ Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

Debt interest charges	\$58.7 billion
Canada Health transfers	\$57.4 billion
Federal sales tax	\$53.4 billion

The government's own numbers herald former Liberal finance minister Paul Martin's warnings about the dangers of debt.

"The debt and deficit are not inventions of ideology, they are facts of arithmetic," Martin said in his 1995 budget speech. "The quicksand of compound interest is real."⁶

Debt interest charges cost taxpayers \$24 billion annually a decade ago.⁷ Today, the bill is more than double and it's growing fast. In 2030, debt interest charges will cost \$81 billion, chewing through 13 cents of every dollar the government takes.⁸

Carney government continues the Trudeau government's debt binge

Prime Minister Mark Carney sold Canadians on the idea that as a former banker he would be different than his predecessor. So far, the numbers suggest that, when it comes to spending and debt, he's not only different than former prime minister Justin Trudeau, he's worse.

Trudeau planned to borrow an extra \$154 billion from 2024-25 until 2029-30, according to the 2024 Fall Economic Statement.⁹ Carney plans to borrow about \$310 billion over that same period.¹⁰ That means Carney plans to borrow twice as much as Trudeau planned, as illustrated in the figure below.

Figure: Trudeau vs Carney borrowing, 2024-25 through 2029-30 (billions \$)

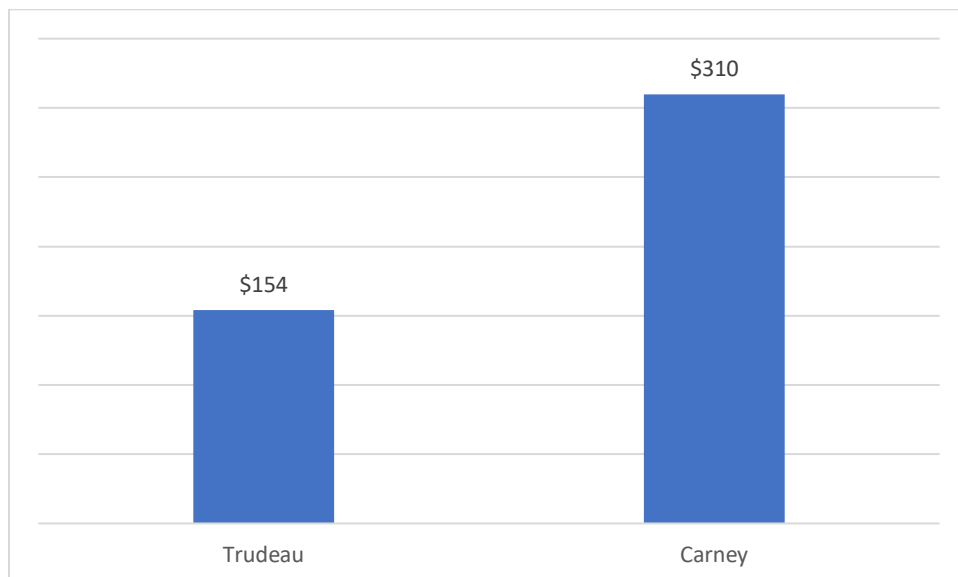
⁶ Government of Canada, Budget Speech 1995, <https://publications.gc.ca/collections/Collection/F1-23-1995-1E.pdf>

⁷ Government of Canada, Budget 2018, <https://budget.canada.ca/2018/docs/plan/budget-2018-en.pdf>

⁸ Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

⁹ Government of Canada, Fall Economic Statement 2024, <https://www.budget.canada.ca/update-miseajour/2024/report-rapport/FES-EEA-2024-en.pdf>

¹⁰ Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>



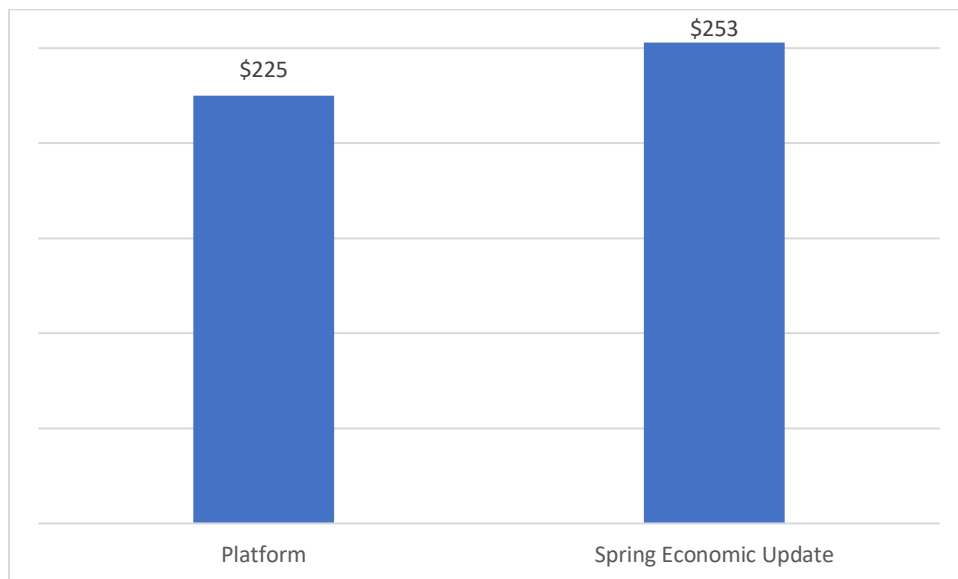
Not only is Carney borrowing more money than Trudeau planned, Carney is borrowing more than he originally planned.

Carney's election platform indicated his government would borrow \$224.8 billion from 2025-26 through 2028-29.¹¹ Now Carney plans to borrow \$253 billion over that time – 12.5 per cent more than he originally promised voters.¹² The figure below illustrates the higher borrowing.

Figure: Carney's borrowing, platform vs budget update (2025-26 through 2028-29, billions \$)

¹¹ Liberal Party of Canada, Fiscal and Costing Plan, [https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada Strong - Fiscal and Costing Plan.pdf](https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada%20Strong%20-%20Fiscal%20and%20Costing%20Plan.pdf)

¹² Government of Canada, Spring Economic Update, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>



Borrowing continues to balloon because government spending continues to increase over the government's *own* projections.

Carney released Budget 2025 in November and he planned to spend \$588.3 billion in 2026-27.¹³ Six months later, Carney released his Spring Economic Update, which projected his government would spend \$594.8 billion in 2026-27.¹⁴ In just six months, Carney was already planning to spend \$6.5 billion over his own budget.

Spending over budget isn't the exception in Ottawa, it's the rule. A key reason for the massive increase in government spending over the years is that the federal government increases its projected level of spending every time it tables a budget or fiscal update.

For example, the 2021 fiscal update was the first time the government projected 2026 spending. It estimated spending would be \$496.1 billion in 2026.¹⁵ Now the government plans to spend \$594.8 billion in 2026, according to its most recent Spring Economic Update.¹⁶ This ratchet effect means the government is spending \$99 billion, or 20 per cent, more than it originally planned. The ratchet effect is illustrated in the figure below.

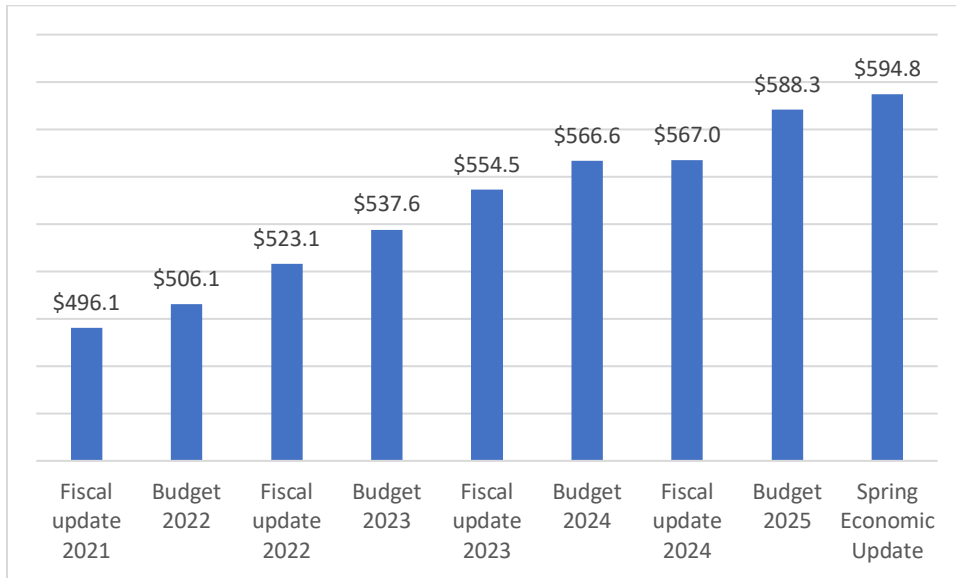
Figure: Ratchet effect – 2026 projected spending (billions \$)

¹³ Government of Canada, Budget 2025, <https://budget.canada.ca/2025/report-rapport/pdf/budget-2025.pdf>

¹⁴ Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

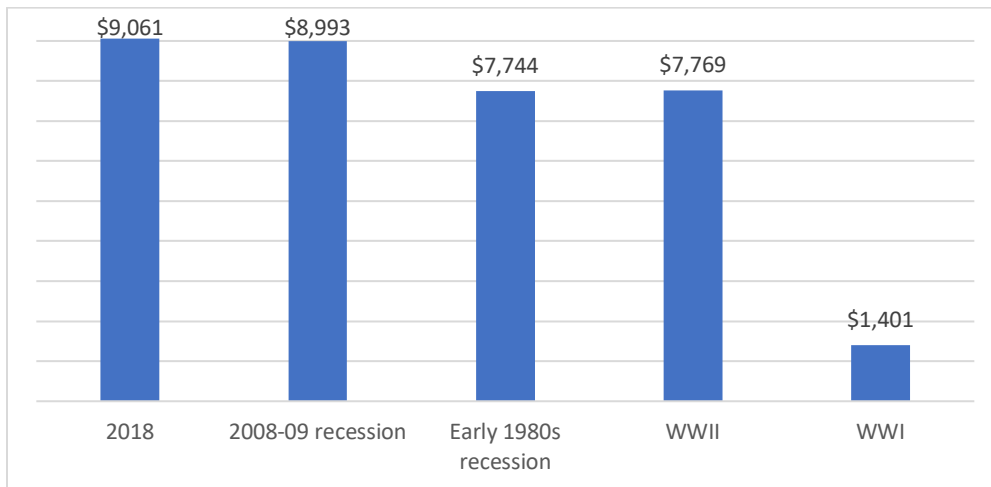
¹⁵ Government of Canada, Economic and Fiscal Update 2021, <https://budget.canada.ca/efu-meb/2021/report-rapport/EFU-MEB-2021-EN.pdf>

¹⁶ Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>



This has followed years of government overspending. 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.¹⁷

Figure: Per-person spending (2021 \$)



¹⁷ 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>

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.¹⁸

Fast forward to today and the government continues to increase spending by billions of dollars every year. Despite continuously promising Canadians the government will “spend less,” the prime minister plans on increasing spending by billions of dollars every year.

Carney became prime minister near the end of the 2024-25 budget year. By 2031, the federal government will be spending \$129 billion more annually than it did in 2024-25.¹⁹

The higher spending means more borrowing and more money wasted paying interest on the debt.

“The federal deficit will hit \$117 billion by 2035 if nothing changes,” according to analysis from the Montreal Economic Institute.²⁰

Paying interest on the debt would cost taxpayers \$92 billion in 2035, according to the MEI’s data. That means paying interest on the federal debt alone will cost each Canadian an estimated \$2,095 in 2035.²¹

Section 2: Ending the debt binge

Prime Minister Mark Carney has no plan to balance the budget and stop borrowing money. In fact, the government plans to borrow \$295.5 billion over the next five years, as illustrated in the table below.²²

Table: Federal borrowing, 2026 through 2030

Year	Borrowing
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¹⁸ Parliamentary Budget Officer, Budget 2022: Issues for Parliamentarians, <https://distribution-a617274656661637473.pbo-dpb.ca/2affe02238780197b2f57fd99bf0090bab48daaf6c30a157176c3ba0b227b791>

¹⁹ Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

²⁰ Montreal Economic Institute, The federal deficit will hit \$117 billion by 2035 if nothing changes, <https://www.iedm.org/the-federal-deficit-will-hit-117-billion-by-2035-if-nothing-changes-estimates-the-mei/>

²¹ Per capita numbers calculated using MEI’s interest payment data and Statistics Canada medium population growth projections for 2035: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710005701&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=3.1&pickMembers%5B2%5D=4.1&cubeTimeFrame.startYear=2025&cubeTimeFrame.endYear=2043&referencePeriods=20250101%2C20430101>

²² Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

2026-27	\$65.3 billion
2027-28	\$63.1 billion
2028-29	\$57.7 billion
2029-30	\$56.2 billion
2030-31	\$53.2 billion
Total borrowing	\$295.5 billion

During the last federal election, Carney promised to “balance the operating budget by Budget 2028.”²³ There are a couple issues with this.

First, the government isn’t balancing the budget when it continues to borrow tens of billions of dollars every year, as illustrated in the table above. Regardless of what label politicians put on each dollar of borrowing, Canadians still pay interest on that borrowed dollar.

Second, balancing the operating budget requires almost no spending restraint. In fact, if the government didn’t announce new spending in Budget 2025 and its Spring Economic Update, it would balance the operating budget this year, according to the Parliamentary Budget Officer.²⁴

Third, the PBO shows that Carney’s definition of capital spending is “overly expansive.” Without using that “overly expansive” definition of capital spending, the government would run an \$18 billion operating deficit in 2028-29, according to the PBO.²⁵

In fact, the government is taking \$94 billion of operating spending and relabeling it as capital investment.

“Based on our definition, capital investments would total \$217.3 billion over 2024-25 to 2029-30, which is approximately 30 per cent (\$94 billion) lower compared to Budget 2025,” according to the PBO. “Moreover, based on our definition, the operating balance in Budget 2025 would remain in a deficit position over 2024-25 to 2029-30.”²⁶

The table below compares the government’s operating balance with the operating balance based on the PBO’s calculations.

Table: Operating balance, Carney vs. PBO

²³ Liberal Party of Canada, 2025 Election Platform, <https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada-Strong.pdf>

²⁴ Parliamentary Budget Officer, Budget 2025: Issues for Parliamentarians, <https://distribution-a617274656661637473.pbo-dpb.ca/190ba7d3612031a7e15f5b45833a685e0e579add5a40fc0d2730ef043aeea0b1>

²⁵ Parliamentary Budget Officer, Budget 2025: Issues for Parliamentarians, <https://distribution-a617274656661637473.pbo-dpb.ca/190ba7d3612031a7e15f5b45833a685e0e579add5a40fc0d2730ef043aeea0b1>

²⁶ Parliamentary Budget Officer, Budget 2025: Issues for Parliamentarians, <https://distribution-a617274656661637473.pbo-dpb.ca/190ba7d3612031a7e15f5b45833a685e0e579add5a40fc0d2730ef043aeea0b1>

	2026-27	2027-28	2028-29	2029-30
Carney government (Budget 2025)	-\$8.7 billion	-\$5.5 billion	\$1.7 billion	\$3.0 billion
Parliamentary Budget Officer	-\$25.3 billion	-\$23.3 billion	-\$18.1 billion	-\$17.6 billion

The previous section showed how the ratchet effect contributed to years of overspending. That is, every time the government presents a budget or fiscal update it ratchets up its projected spending. This ratchet effect means the government is spending \$99 billion, or 20 per cent, more than it originally planned.

If the government just stuck to its original spending plan it released in the 2021 fiscal update – during the heart of the Trudeau government’s pandemic spending spree – it would balance the budget and stop borrowing money this year.

The table below compares the government’s current budgetary borrowing with what would occur had the government just stuck to its original 2026 program spending plan that it first tabled. As the table below illustrates, the government would balance the budget this year if it didn’t ratchet up spending.

Table: Budgetary balance, actual vs no ratchet effect (billions)

	2026 current ²⁷	2026 (no ratchet effect)
Program spending	\$536.1	\$455.2 ²⁸
Interest charges	\$58.7	\$58.7
Actuarial losses	\$0.1	\$0.1
Total spending	\$594.9	\$514
Revenue	\$529.6	\$529.6
Budgetary balance	-\$65.3	\$15.6

As the table above illustrates, instead of borrowing \$65 billion this year, the government would have a \$15-billion surplus it could use to cut taxes or pay down the debt if it stuck to its original program spending plan tabled in the 2021 fiscal update.

Recommendation: Balance the budget and stop borrowing money.

²⁷ Budget outlook as presented in the government’s Spring Economic Update 2026:

<https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

²⁸ Program spending from Economic and Fiscal Update 2021, <https://budget.canada.ca/efu-meb/2021/report-rapport/EFU-MEB-2021-EN.pdf>

Section 3: Tax relief

Canadians need tax relief. A 2026 Ipsos poll shows 70 per cent of Canadians say that their current tax bill hurts their standard of living, while almost two-thirds say they pay too much income tax.²⁹

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 per cent of its budget on taxes, while spending 36 per cent of its budget on food, housing and clothing combined, according to the Fraser Institute.³⁰ The Fraser Institute found that the average family's tax bill increased 2,928 per cent since 1961 – far outpacing the rise in consumer prices (946 per cent).

The high tax burden is also hurting Canada's economy. The Tax Foundation's 2025 *International Tax Competitiveness Index* shows Canada is behind many industrialized peers.³¹ 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 27th on individual tax competitiveness
- Canada ranked 22nd 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.

The government deserves some credit for cutting some taxes, such as cancelling the consumer carbon tax, lowering income taxes and providing sales tax relief for homebuyers. But it's also increasing costs and reducing economic competitiveness by increasing other taxes.

For example, Budget 2025 commits to “strengthening” the industrial carbon tax and “setting a multi-decade industrial carbon price trajectory that targets net zero by 2050.”³² Carney hasn't told Canadians how much his carbon tax would cost people at the pumps, but the federal government's memorandum of understanding with the Alberta government makes it clear that it's hiking costs.

²⁹ Montreal Economic Institute, Taxation in Canada 2026, <https://www.iedm.org/taxation-in-canada-2026-ipsos-poll-commissioned-by-the-mei/>

³⁰ Fraser Institute, Taxes versus the Necessities of Life: The Canadian Consumer Tax Index 2026 Edition, <https://www.fraserinstitute.org/studies/taxes-versus-necessities-life-canadian-consumer-tax-index-2026-edition>

³¹ Tax Foundation, 2025 International Tax Competitiveness Index, https://taxfoundation.org/wp-content/uploads/2025/10/International_Tax_Competitiveness_Index_2025_10-21.pdf

³² Government of Canada, Budget 2025, <https://budget.canada.ca/2025/report-rapport/pdf/budget-2025.pdf>

“Credits are trading at \$40 per tonne, compared with the current federal headline price of \$110 per tonne,” according to the Implementation Agreement documents. “The effective price – the market value of carbon credits and offsets in Alberta – will rise to \$130 in 2040.”³³

Canadians understand that carbon taxes, regardless of the label, make life more expensive.

A Leger poll commissioned by the Canadian Taxpayers Federation shows that 68 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 12 per cent of Canadians believe Carney that businesses will pay most of the cost of his carbon tax. The rest were unsure.³⁴

The federal government also imposes another hidden carbon tax embedded in fuel regulations that took effect on July 1, 2023. The regulations require producers to reduce the carbon content of their fuels. If they can’t meet the requirements, they must purchase credits, increasing costs that are passed onto Canadians purchasing gasoline or diesel. There are no rebates with this carbon tax.

The hidden carbon tax currently costs up to seven cents per litre of gasoline, according to analysis from the Parliamentary Budget Officer. It will cost up to 17 cents per litre of gasoline when the regulations are fully implemented in 2030.³⁵ The figure below shows the cost of the hidden carbon tax on gasoline each year, based on estimates from the PBO.³⁶

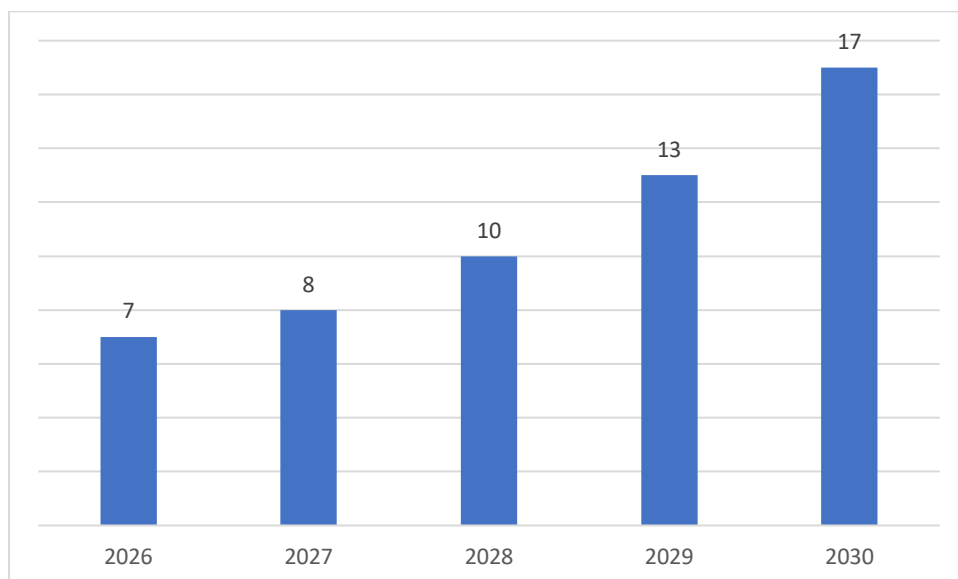
Figure: Cost of fuel regulations (cents per litre of gasoline)

³³ Prime Minister’s Office, Implementation Agreement for the Canada-Alberta Memorandum of Understanding, <https://www.pm.gc.ca/en/news/backgrounders/2026/05/15/implementation-agreement-canada-alberta-memorandum>

³⁴ Leger, Survey Report: Industrial Carbon Tax, December 2025, <https://www.taxpayer.com/media/poll-industrial-carbon-tax-leger-dec-2025.pdf>

³⁵ Parliamentary Budget Officer, A Distributional Analysis of the Clean Fuel Regulations, <https://distribution-a617274656661637473.pbo-dpb.ca/e884599e101a53a3388d8c69884637f349b215fa483ca0089301ecb897da02b1>

³⁶ Parliamentary Budget Office, Supplementary Data, A Distributional Analysis of the Clean Fuel Regulations, <https://www.pbo-dpb.ca/en/publications/RP-2324-004-S--distributional-analysis-clean-fuel-regulations--analyse-distributive-reglement-combustibles-propres#pb!sd>



The table below shows the cost of the hidden carbon tax to the average family in each province by 2030, according to the PBO.³⁷

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 2026. These payroll tax increases cost a worker up to an additional

³⁷ Parliamentary Budget Officer, A Distributional Analysis of the Clean Fuel Regulations, <https://distribution-a617274656661637473.pbo-dpb.ca/e884599e101a53a3388d8c69884637f349b215fa483ca0089301ecb897da02b1>

\$262 this year. For workers making \$85,000 or more, federal payroll taxes (CPP and EI tax) will cost \$5,770 in 2026. Their employers will also be forced to pay \$6,219.³⁸

On April 1, 2026, the government increased its alcohol tax by two per cent, costing taxpayers \$41 million this year, according to industry estimates.

First passed in the 2017 federal budget, the alcohol escalator tax automatically increases excise taxes on beer, wine and spirits every year without a vote in Parliament. The alcohol escalator tax has cost taxpayers about \$1.6 billion since it was imposed in 2017, according to industry estimates.

In addition to these recent tax hikes, there have also been calls for new taxes on homes,³⁹ along with a wealth tax, so-called excess profits tax, along with higher business taxes.⁴⁰

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.

To its credit, the Carney government cut income taxes, reducing the lowest bracket from 15 to 14 per cent. However, this relief is modest. The average taxpayer will only save \$190 in 2026, according to the PBO.⁴¹

The government could provide further tax relief without borrowing a cent more if it stuck to its original spending plan for this year. As illustrated in the previous section, it would be running a \$15.6-billion surplus instead of borrowing \$65 billion this year. Here's how the government could cut taxes without ballooning the debt with that surplus, based on PBO revenue estimates:⁴²

- Cut the GST by one percentage point (\$10 billion) and pay down about \$5 billion of debt
- Cut the lowest income tax rate by two percentage points (\$12 billion) and pay down about \$3 billion of debt

³⁸ Canadian Taxpayers Federation, New Year's Tax Changes 2026,

https://www.taxpayer.com/media/NYTC_2026.pdf

³⁹ 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

⁴⁰ 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

⁴¹ 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>

⁴² These should be considered estimates. The revenue estimates are based on: Parliamentary Budget Officer, Ready Reckoner, <https://www.pbo-dpb.ca/en/research--recherches/tools--outils/ready-reckoner--simulateur-budgetaire/index>

- Cut the business tax by three percentage points (\$12 billion) and pay down about \$3 billion of debt
- Eliminate small business tax (\$6 billion) and pay down about \$9 billion of 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.

Recommendation: Following CTF budget recommendation, use part of the surplus to cut taxes and the rest to pay down the debt.

Section 4: Recommendations for savings

There are many ways for the government to cut spending and save taxpayers money. The CTF identified more than \$60 billion in annual savings. These savings are illustrated in the table below and detailed further in the rest of this report.

Table: Outline of savings

Savings	Annual
Governor General	\$19,848,443
Senate	\$141,409,806
Bureaucracy	\$16,485,191,362
Professional and special services	\$11,814,553,922
Corporate welfare	\$10,200,832,983
Regional Development Agencies	\$1,928,167,017
Crown corporations	\$2,988,844,500
Crown corporation bonuses	\$190,300,000
VIA Rail	\$1,152,590,245
National Capital Commission	\$80,978,141
Telefilm Canada	\$111,632,291
CBC	\$1,383,252,311
Media subsidies	\$75,000,000
Alto	\$710,159,448
High-speed rail (future savings)	\$1,280,000,000
Equalization	\$6,440,000,000
Gun ban and confiscations	\$2,647,000,000
Social Sciences and Humanities Research Council	\$1,408,418,670
Global Affairs	\$2,261,022,750
Political Contributions Tax Credit	\$35,000,000
Total	\$61,354,201,889

Member of Parliament pay

For MPs to effectively implement savings within 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.⁴³ With the government’s bureaucracy costs accounting for 56 per cent of its operating budget,⁴⁴ the government must shrink its bureaucracy to stop borrowing money.

Yet, MPs have continued to increase their own salary during the pandemic and affordability crisis and while the debt ballooned. MPs have given themselves seven pay raises since the beginning of 2020. The MP pay raises range between an extra \$38,800 for a backbencher to an extra \$77,600 for the prime minister. The salaries of MPs and their pay hikes are highlighted in the table below.⁴⁵

Table: Politician pay raises since 2020

Position	Salary beginning of 2020	Current salary	Increase
Senator	\$153,900	\$192,700	\$38,800
MP	\$178,900	\$217,700	\$38,800
Minister	\$264,400	\$321,300	\$56,900
Prime Minister	\$357,800	\$435,400	\$77,600

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.⁴⁶

All MPs took another pay raise this April, ranging from an extra \$7,900 to \$15,800. This was their 14th consecutive annual pay raise in a row. Canadian MPs are the only national politicians among G7 countries that have taken pay raises every year for 14 years straight.

In the United States, members of Congress have not increased their pay since 2009, while the president has not taken a pay raise since 2001.⁴⁷

⁴³ 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

⁴⁴ Parliamentary Budget Officer, Economic and Fiscal Outlook June 2026, <https://distribution-a617274656661637473.pbo-dpb.ca/2073136cc439c15f9cc5917e1db1ed23bef0aa72a4a8a1751a1c650913a5fa10>

⁴⁵ Library of Parliament, Indemnities, Salaries and Allowances, https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries

⁴⁶ Government of Canada, “Parliament of Canada Act,” <https://laws-lois.justice.gc.ca/eng/acts/p-1/index.html>

⁴⁷ National Taxpayers Union, Salaries for Members of Congress, Supreme Court Justices, and the President, <https://www.ntu.org/foundation/tax-page/salaries-for-members-of-congress-supreme-court-justices-and-the-president>

In the United Kingdom, MP salaries were frozen in 2021.⁴⁸

Salaries for German members of the Bundestag were frozen in 2020,⁴⁹ and cut in 2021.⁵⁰

Japan reduced pay for its national politicians by 20 per cent in 2020.⁵¹ In 2025, Japan's prime minister and cabinet ministers also cut their salaries, according to media reports.⁵²

In France, deputies' salaries are tied to bureaucrat pay.⁵³ Government data shows the government employee pay index was frozen from 2010 to 2016, and again from 2017 to mid-2022.⁵⁴

Italy reduced deputies' salaries in 2006 and again in 2011. Italian deputies' pay was frozen between 2007 and 2026, according to Italy's government.⁵⁵

It is possible for the government of Canada to stop the annual, automatic MP pay raises. For example, the federal government stopped the automatic pay raises between 2010 and 2013 in response to the 2008-09 recession.⁵⁶ The prime minister and ministers took a five per cent pay cut and froze MP pay in 1992, according to the Library of Parliament. Politicians' salaries were frozen until 1997, when Ottawa balanced the budget. Even after the 1997 pay raise, ministers and the prime minister were taking lower salaries than they were in 1991.⁵⁷

Canadians overwhelmingly want the government to end these automatic MP pay raises. In fact, 80 per cent of Canadians opposed this year's pay raise, according to a Leger poll.⁵⁸

⁴⁸ Independent Parliamentary Standards Authority, MPs' pay & pensions, <https://www.theipsa.org.uk/mps-pay-and-pensions>

⁴⁹ Die Welt, Record diet increase - Bundestag members get 635 euros more per month, <https://www.welt.de/politik/deutschland/article251488018/Bundestag-Rekord-Diaetenerhoehung-Abgeordnete-bekommen-635-monatlich-mehr.html>

⁵⁰ The Breaker, German MPs to take first ever pay cut, <https://www.thebreaker.co.uk/german-politicians-pay-cut/>

⁵¹ Government of Japan, Act on Salaries, Travel Expenses, and Allowances for Members of the National Diet, https://laws.e-gov.go.jp/law/322AC1000000080#503AC0000000028-Sp-Pr_1

⁵² The Chosun Daily, Japan Cuts Politician Pay as South Korea Lawmakers Reject Salary Reductions, <https://www.chosun.com/english/national-en/2025/11/15/2DWQAZ2BKNG7FAW05PROX5RTB4/>

⁵³ France National Assembly, The financial situation of the Member of Parliament, <https://www.assemblee-nationale.fr/dyn/synthese/deputes-groupes-parlementaires/la-situation-materielle-du-depute>

⁵⁴ France Ministry of Public Action and Accounts, Government pay index, <https://www.fonction-publique.gouv.fr/etre-agent-public/ma-remuneration/connaitre-le-point-dindice>

⁵⁵ Government of Italy, Financial compensation, <https://www.camera.it/deputati/trattamento-economico>

⁵⁶ 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/>

⁵⁷ Library of Parliament, Indemnities, Salaries and Allowances, https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries

⁵⁸ Leger, MP salary, <https://www.taxpayer.com/media/mp-pay-poll-ctf-2026-dawson.pdf>

The government also needs to trim MPs' retirement perks.

At \$217,700, the base salary for an MP is nearly triple the average annual salary of full-time Canadian workers, which was about \$75,000 in 2025, according to Statistics Canada.⁵⁹ There is also little evidence to suggest MPs – who lose their seats 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 \$108,850, 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.⁶⁰

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.⁶¹

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 about a dozen former MPs that will collect more than \$100,000-plus a year in pension income.

Former prime minister Justin Trudeau will collect two taxpayer-funded pensions in retirement. Combined, those pensions total \$8.4 million, according to CTF estimates.

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

⁵⁹ Statistics Canada, "Employee wages by Industry, annual,"
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410006401>

⁶⁰ 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>

⁶¹ 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'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 90.⁶²

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

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.

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 \$91,000 to \$393,800. The table below highlights the governor general's recent annual salary increases.⁶³

Table: Governor General's Annual Salary

Year	Salary
2026	\$393,800
2025	\$378,000
2024	\$362,800
2023	\$351,600
2022	\$342,100
2021	\$328,700
2020	\$310,100
2019	\$302,800

⁶² 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>

⁶³ Privy Council Office data, Canadian Taxpayers Federation, Governor General's salary spikes to nearly \$400,000, <https://www.taxpayer.com/newsroom/governor-general%E2%80%99s-salary-spikes-to-nearly-400,000>

Polling shows Canadians support the government reducing the governor general's annual salary. A Leger poll asked Canadians what should happen to the governor general's salary.⁶⁴ Results of the poll show:

- 59 per cent said reduce the governor general's salary
- 22 per cent said maintain the current salary
- Five per cent said increase the salary
- 14 per cent don't know

Among those decided on the issue, 68 per cent of Canadians say the government should reduce the governor general's salary.

In addition to the high salary and perks while in office, governors general also receive post-retirement benefits that are unheard of for most Canadians. Former governors general are eligible for the full pension of about \$150,000 per year 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.

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. The expense account paid out more than \$550,000 last year.⁶⁵

Polling shows Canadians overwhelmingly support ending the expense account for former governors general. A Leger poll asked Canadians what should happen to the expense account for former governors general.⁶⁶ Results of the poll show:

- 71 per cent said end it
- 13 per cent said keep it
- 16 per cent said they don't know

Among Canadians with an opinion, 85 per cent support eliminating the expense account, while just 15 per cent want to keep it. The poll follows Prime Minister Mark Carney confirming that his government would review the former governors general expense account.⁶⁷

⁶⁴ Leger, Governor General Salary National Omnibus 2026, <https://www.taxpayer.com/media/gg-pay-poll-ctf-2026.pdf>

⁶⁵ CBC, Former governors general claimed \$554K from expense account last year, <https://www.cbc.ca/news/politics/former-governors-general-expense-account-9.7188412>

⁶⁶ Leger, Governor General Expense Survey 2026. https://www.taxpayer.com/media/CTF_Governor_General_Expenses_Account_July_2026.pdf

⁶⁷ CBC, Former governors general claimed \$554K from expense account last year, <https://www.cbc.ca/news/politics/former-governors-general-expense-account-9.7188412>

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 for a single week-long trip was about \$100,000.⁶⁸
- The week-long trip to the Middle East for Expo 2020 cost about \$1 million.⁶⁹
- A four-day visit to Germany cost taxpayers \$700,000 and included \$103,000 in in-flight catering costs.⁷⁰
- The former governor general spent \$71,000 at “Icelimo Luxury Travel” during a four-day trip to Iceland.⁷¹
- 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.⁷²

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.”⁷³ 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

⁶⁸ 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>

⁶⁹ 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>

⁷⁰ 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>

⁷¹ 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>

⁷² 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>

⁷³ 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

governor general to fly to conferences in other countries (other than the United Kingdom). This is especially the case as Canadians already pay for a diplomatic service.

Third, the government needs to cut the governor general's budget. The Office of the Governor General cost taxpayers almost \$40 million in 2024-25 – a 10 per cent increase over the previous year.⁷⁴ At minimum, MPs should look to cut 50 per cent of its annual budget, saving taxpayers almost \$20 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 pension for future governors general.

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 almost \$20 million annually.

The Senate

Senators took seven pay raises since the beginning of 2020 when the base salary for a senator was \$153,900. A senator's base salary is now \$192,700.⁷⁵

The Senate will cost taxpayers \$141 million this year, according to its own spending plan for 2026-27.⁷⁶

Recommendation: Defund the Senate, saving taxpayers \$141 million annually.

⁷⁴ Office of the Secretary to the Governor General, Financial statements 2024-25, https://www.gg.ca/sites/default/files/media/the_office/AR_RA/2024-2025-osgg-financialstatements.pdf

⁷⁵ Library of Parliament, Indemnities, Salaries and Allowances, https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries

⁷⁶ Senate, Planned spending 2026-27, https://sencanada.ca/media/zlyfcbf/finproc_rpt_main-estimates_2026-2027_public-disclosure_e.pdf

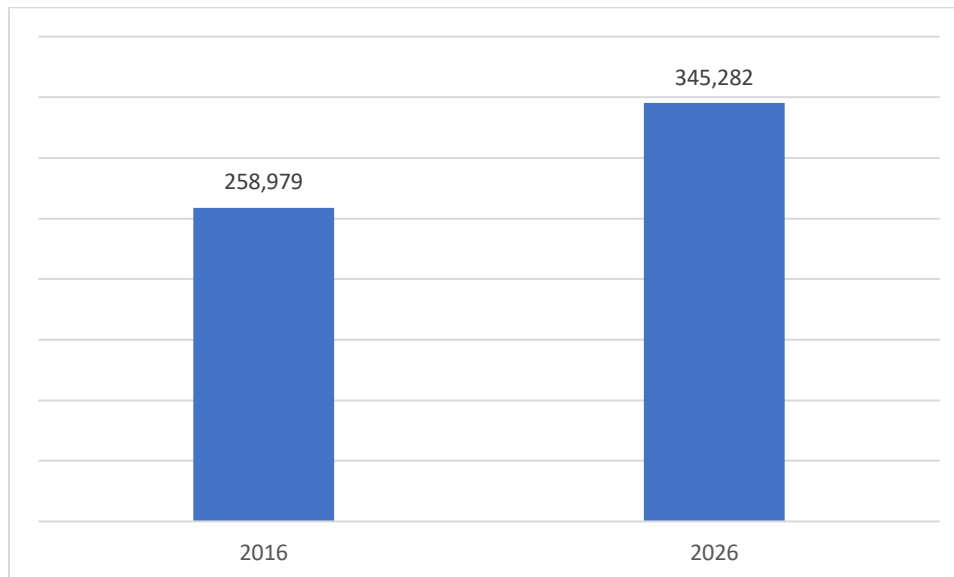
Bureaucracy

The government needs to shrink its bureaucracy to fix its finances. That's because the federal bureaucracy will consume 56 per cent of the government's operating spending this year, according to projections from the Parliamentary Budget Officer.⁷⁷

The cost of the bureaucracy has spiralled out of control. The inflation-adjusted cost of the bureaucracy grew by \$16 billion between 2019-20 (the last year before the pandemic spending spree) and 2024-25 (the last year where actual spending data is available).⁷⁸

A key reason for the massive increase in labour costs is the federal hiring spree that took place. The federal government added an extra 86,303 employees between March 2016 and March 2026, as illustrated in the figure below.⁷⁹

Figure: Number of federal bureaucrats, March of each year



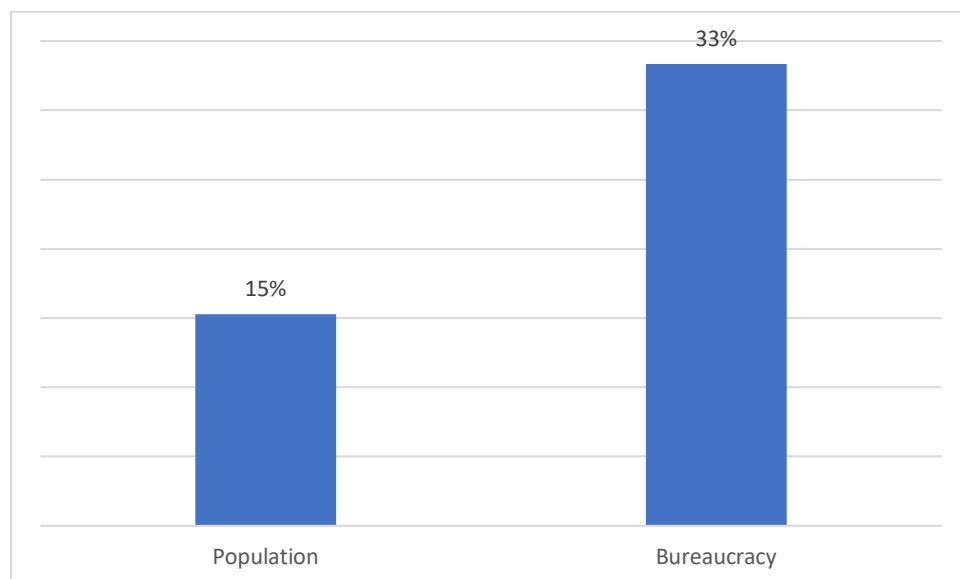
⁷⁷ Parliamentary Budget Officer, Economic and Fiscal Outlook June 2026, <https://distribution-a617274656661637473.pbo-dpb.ca/2073136cc439c15f9cc5917e1db1ed23bef0aa72a4a8a1751a1c650913a5fa10>

⁷⁸ Calculation using Public Accounts 2024-25: <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2025/pdf/2025-vol2-eng.pdf>; Public Accounts 2019-20: https://epe.lac-bac.gc.ca/100/201/301/public_accounts_can/pdf/2020/P51-1-2020-2-eng.pdf; Inflation-adjusted using Bank of Canada inflation calculator: <https://www.bankofcanada.ca/rates/related/inflation-calculator/>

⁷⁹ Government of Canada, 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>

In fact, the federal bureaucracy grew twice as fast as population that pays for it over the last decade. The number of federal bureaucrats grew 33 per cent since 2016, while Canada’s population grew 15 per cent.⁸⁰ The figure below highlights this comparison.

Figure: Bureaucracy growth vs population growth (2016-2026)



Higher pay for federal bureaucrats also accounts for the larger taxpayer burden.

The federal government handed out more than \$200 million in bonuses to its executives last year, according to access-to-information requests obtained by the Canadian Taxpayers Federation.⁸¹ About 90 per cent of government executives take a taxpayer-funded bonus every year.

Meanwhile, federal departments routinely miss their *own* performance targets.

The government of Canada publishes its own data summarizing department performance results over five years. In two of those years, departments failed to meet half of their own targets. Their best year was 2024, when departments met 54 per cent of their own targets.⁸² The results are summarized in the table below.

Table: Percentage of performance targets met each year

⁸⁰ Government of Canada, 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>

⁸¹ Government of Canada, Access-to-information request, <https://www.taxpayer.com/newsroom/government-executives-pocket-nearly-202-million-in-bonuses-in-2025>

⁸² Government of Canada, Departmental Results Reports Summary, [https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/results/-.--\(panel key.-.-%27gov drr\)](https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/results/-.--(panel key.-.-%27gov drr))

Year	Percentage of targets met
2024	53.6%
2023	51.9%
2022	50.3%
2021	48.3%
2020	44.8%

Most federal bureaucrats also take pay raises every year. The federal government gave 336,188 employees a pay raise last year, according to access-to-information records.⁸³ That means 78 per cent of its employees took a pay raise in 2025. Just 0.14 per cent of employees took a pay cut.

About 385,000 federal employees took a pay raise in 2024 and the government handed out more than one million pay raises between 2020 and 2023.

The average compensation for a federal bureaucrat was \$116,000 in 2015, according to the PBO's Personnel Expenditure Analysis Tool. The average compensation grew to \$159,000 in 2024.⁸⁴ For comparison, the average salary of a Canadian worker was about \$73,000, according to Statistics Canada data.⁸⁵

The PBO's latest numbers project the average compensation for federal bureaucrats to keep growing, as illustrated in the table below.⁸⁶

Table: Average compensation of full-time federal bureaucrat, per PBO

Year	Compensation
2026-27	\$164,300
2027-28	\$168,700
2028-29	\$169,900

⁸³ Government of Canada, Access-to-information records, <https://www.taxpayer.com/newsroom/feds-rubberstamp-pay-raises-for-336,188-bureaucrats>

⁸⁴ Parliamentary Budget Officer, Personnel Expenditure Analysis Tool, <https://www.pbo-dpb.ca/en/research--recherches/tools--outils/personnel-expenditure-analysis-tool--outil-examen-depenses-personnel/index#/personnel-breakdown--repartition-personnel>

⁸⁵ Statistics Canada, Employee wages by industry, annual, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410006401&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=2.2&pickMembers%5B2%5D=3.1&pickMembers%5B3%5D=5.1&pickMembers%5B4%5D=6.1&cubeTimeFrame.startYear=2020&cubeTimeFrame.endYear=2024&referencePeriods=20200101%2C20240101>

⁸⁶ Parliamentary Budget Officer, Projecting Federal Personnel Expenses, <https://www.pbo-dpb.ca/en/publications/RP-2526-008-S--projecting-federal-personnel-expenses--projection-depenses-federale-consacrees-personnel>

2029-30	\$172,500
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Rather than shrinking the cost of the bureaucracy, Prime Minister Mark Carney is entrenching Ottawa's decade long hiring spree.

The PBO projects the cost of the federal bureaucracy increasing to \$79.4 billion this year, up from \$69.2 billion last year. While costs dipped down last year, the federal bureaucracy will cost taxpayers more this year than it did during former prime minister Justin Trudeau's last year in office in 2024-25, even after accounting for inflation. The PBO projects bureaucracy costs will continue to increase and reach \$86 billion in 2030. The table below illustrates the PBO's bureaucracy projections.⁸⁷

Table: Cost of the federal bureaucracy, per PBO projections

Year	Bureaucracy costs
2024-25	\$73.9 billion
2025-26	\$69.2 billion
2026-27	\$79.4 billion
2027-28	\$81.0 billion
2028-29	\$81.0 billion
2029-30	\$84.0 billion
2030-31	\$86.0 billion

Carney promised to reduce the size of the bureaucracy, but those savings barely scratch the surface of making government more affordable.

"From a peak of almost 368,000 in 2023-24, the public service population is expected to reach roughly 330,000 by the end of 2028-29 – a decline of about 40,000 positions or 10 per cent," according to Budget 2025.⁸⁸

The goal of cutting 40,000 federal bureaucrats by 2028 may sound lofty. But it falls flat once you add context.

Carney is promising that in a few years he plans to bring Ottawa's headcount down to the number it was near the end of 2021 – right in the middle of the Trudeau government's pandemic spending spree.⁸⁹

⁸⁷ Parliamentary Budget Officer, Economic and Fiscal Outlook June 2026, <https://distribution-a617274656661637473.pbo-dpb.ca/2073136cc439c15f9cc5917e1db1ed23bef0aa72a4a8a1751a1c650913a5fa10>

⁸⁸ Government of Canada, Budget 2025, <https://budget.canada.ca/2025/report-rapport/pdf/budget-2025.pdf>

⁸⁹ Government of Canada, Population of the federal public service and Canada, <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service.html#table1-fn2-1-rf>

And that's assuming the government cuts the number of total bureaucrats, which is a big assumption given the government's long history of missing its own spending targets. The government's last three departmental plans all targeted reductions in payroll. But it failed to meet those targets each year.

"Relative to the 2024-25 departmental plans, the planned number of [full-time equivalents] from the latest departmental plans was revised upward by roughly 31,000 for 2025-26 and 25,000 for 2026-27," according to the PBO.⁹⁰

Let's recap the Carney government's bureaucracy plan.

As the PBO notes, the cost of the bureaucracy is projected to increase by \$10 billion this year and continue to increase until it reaches \$86 billion in 2030. And even if Carney keeps his promise from Budget 2025 and reduces the number of employees, which is not a guarantee based on the government's track record, that will only bring the government's headcount back to where it was in the middle of the pandemic spending spree.

Recommendation: Bring the cost of the bureaucracy back down to pre-2020 levels, adjusted upward for inflation. This would save taxpayers about \$16 billion annually.

Consultants, contractors and outsourcing

Not only has the size of the bureaucracy increased, the cost of consultants, contractors and outsourcing has as well. In fact, the cost of "professional and special services" has more than doubled over the last 10 years.

Professional and special services is a broad category of spending that captures government spending on consultants, contractors and outsourcing. The government spent \$23.1 billion on professional and special services in 2024-25, the last year available in the Public Accounts.⁹¹ That's an 11 per cent increase over the previous year.⁹² And it's more than double what it spent

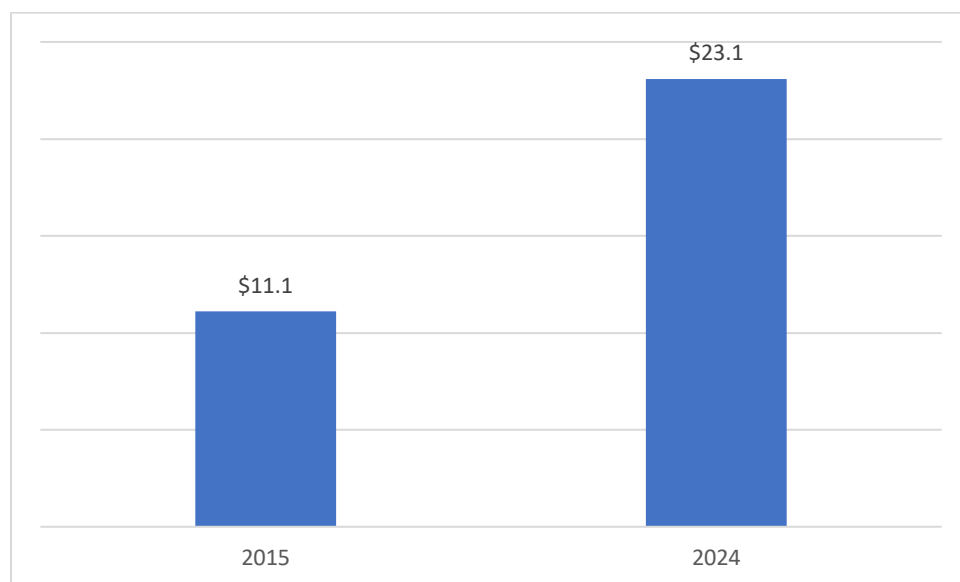
⁹⁰ Parliamentary Budget Officer, Full-Time Equivalents in the Federal Public Service – 2025-26 Departmental Plans, https://www.pbo-dpb.ca/en/additional-analyses--analyses-complementaires/BLOG-2526-006--full-time-equivalents-in-federal-public-service-2025-26-departmental-plans--equivalents-temps-plein-dans-fonction-publique-federale-plans-ministeriels-2025-2026?utm_source=posto&utm_medium=email&utm_campaign=BLOG-2526-006

⁹¹ Government of Canada, Public Accounts 2024-25, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2025/pdf/2025-vol2-eng.pdf>

⁹² Government of Canada, Public Accounts 2023-24, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2024/pdf/2024-vol2-eng.pdf>

10 years ago. The figure below compares the government’s spending on consultants, contractors and outsourcing over the last 10 years.⁹³

Figure: Professional and special services 2015-16 vs 2024-25, per Public Accounts (billions \$)



During the last federal election, Carney promised his government would be “significantly reducing reliance on external consultants.”⁹⁴ However, the government’s Main Estimates show spending on professional and special services continues to increase.

The government plans to spend \$26.6 billion on professional and special services in 2026-27, according to this year’s Main Estimates.⁹⁵ That’s up from \$26.1 billion in last year’s estimates.⁹⁶

Given that all the major parties have promised to cut spending on consultants, and given the massive increase in these costs, the CTF recommends bringing these costs down to 2015-16 levels, adjusted upward for inflation.

⁹³ Government of Canada, Public Accounts, 2015-16, https://epe.lac-bac.gc.ca/100/201/301/public_accounts_can/pdf/2016/2016-vol2-eng.pdf?nodisclaimer=1

⁹⁴ Liberal Party of Canada, 2025 Election Platform, <https://liberal.ca/wp-content/uploads/sites/292/2025/04/Canada-Strong.pdf>

⁹⁵ Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates/budgetary-expenditures-standard-objects.html>

⁹⁶ 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/budgetary-expenditures-standard-objects.html>

Recommendation: Bring the government’s spending on consultants, contractors and outsourcing to 2015-16 levels, adjusted upward for inflation. That would save taxpayers almost \$12 billion annually.

Corporate welfare

For years, the government has centred its economic development plans around corporate welfare: Taking money from taxpayers and giving that money to select businesses.

While the government promises jobs will be created from this corporate welfare, taxpayers should be highly sceptical of the 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).⁹⁷

The government’s corporate welfare is extremely costly for taxpayers. As illustrated by the Fraser Institute, the federal government spent \$313 billion on corporate subsidies between 2007 and 2024.⁹⁸

⁹⁷ 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/>

⁹⁸ Fraser Institute, Eliminating Corporate Subsidies in Canada: An Opportunity to Boost Growth, 2026, <https://www.fraserinstitute.org/sites/default/files/2026-08/eliminating-corporate-subsidies-in-canada-opportunity-to-boost-growth.pdf>

That research from the Fraser Institute shows that federal corporate subsidies cost taxpayers more than \$12 billion in 2025. That means the federal government's corporate welfare cost each Canadian family of four \$1,164 last year.⁹⁹

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 \$1.9 billion annually, as illustrated in the table below.¹⁰⁰

Table: Cost of Regional Development Agencies

Regional Development Agencies	Cost
Atlantic Canada Opportunities Agency	\$389,405,777
Economic Development Agency of Canada for the Regions of Quebec	\$415,837,510
Federal Economic Development Agency for Northern Ontario	\$83,686,329
Federal Economic Development Agency for Southern Ontario	\$389,707,534
Canadian Northern Economic Development Agency	\$134,263,076
Pacific Economic Development Agency of Canada	\$180,582,915
Prairies Economic Development Canada	\$334,683,876
Total cost	\$1,928,167,017

Recommendation: Scrap all corporate welfare, including direct cash subsidies, loans and loan guarantees. Ending corporate welfare would save taxpayers \$12.1 billion annually.

Recommendation: End the federal subsidies to businesses through regional development agencies. That would save about \$1.9 billion annually.

Crown corporations

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

⁹⁹ Fraser Institute, Eliminating Corporate Subsidies in Canada: An Opportunity to Boost Growth, 2026, <https://www.fraserinstitute.org/sites/default/files/2026-08/eliminating-corporate-subsidies-in-canada-opportunity-to-boost-growth.pdf>

¹⁰⁰ Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

would save taxpayers about \$3 billion annually, according to the government's Consolidated Financial Information for Crown corporations.

Table: Appropriations for Crown corporations¹⁰¹

Crown corporation	Cost
Atomic Energy of Canada Limited	\$1,344,720,000
Canada Council for the Arts	\$369,339,000
Canada Infrastructure Bank	\$1,477,761,000
Canada Mortgage and Housing Corporation	\$5,506,599,000
Canadian Air Transport Security Authority	\$971,163,000
Canadian Commercial Corporation	\$13,962,000
Canadian Dairy Commission	\$5,376,000
Canadian Museum for Human Rights	\$28,795,000
Canadian Museum of History	\$85,564,000
Canadian Museum of Immigration at Pier 21	\$10,061,000
Canadian Museum of Nature	\$32,316,000
Canadian Race Relations Foundation	\$90,000
Destination Canada	\$122,662,000
Federal Bridge Corporation Limited	\$7,045,000
International Development Research Centre	\$164,606,000
Jacques-Cartier and Champlain Bridges Inc.	\$156,303,000
Marine Atlantic Inc.	\$191,686,000
National Arts Centre Corporation	\$66,360,000
National Gallery of Canada	\$50,727,000
Canada Science & Technology Museums Corp.	\$40,360,000
Standards Council of Canada	\$20,420,000
Windsor-Detroit Bridge Authority	\$1,289,463,000
Total cost	\$11,955,378,000
CTF savings proposal	\$2,988,844,500

The CTF recommends these savings be found in addition to ending bonuses at Crown corporations. Crown corporations paid out \$190.3 million in bonuses in 2024-25, the last year which records are available.¹⁰² In recent years, Crown corporations have handed out bonuses despite organizations failing. For example, Canada Post gave its executives and managers \$30.8

¹⁰¹ Government of Canada, Consolidated Financial Information for Crown Corporations, Annual Report 2023-2024, <https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/inventory-government-organizations/crown-corporations-financial-data/2023-2024-annual-report.html>

¹⁰² Government of Canada, Response to Order Paper Question, <https://www.taxpayer.com/newsroom/crown-corporations-dish-out-190-million-in-bonuses>

million in bonuses in 2025 even though the Crown corporation lost nearly \$1.6 billion and took a \$1-billion bailout from taxpayers.¹⁰³ VIA Rail also handed out \$10.3 million in bonuses last year.¹⁰⁴ Meanwhile, its operating losses totaled 376 million, according to its most recent annual report.¹⁰⁵

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 entities¹⁰⁶:

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 almost \$3.7 billion from taxpayers over the last five years, according to its most recent annual report.¹⁰⁷ Ending taxpayer funding to VIA Rail would save Canadians almost \$1.2 billion annually, according to the Main Estimates.¹⁰⁸

National Capital Commission: The duties performed by the NCC duplicate work that could be performed by Canadian Heritage and provincial and municipal bodies. Plus, the NCC continues to balloon the taxpayer-tab.

For example, the NCC spent \$135 million renovating and maintaining the official residences from 2006 to 2022, according to CTF analysis of official reports.¹⁰⁹ That's about \$8.5 million per year. To put that spending into perspective, the government could have bought a brand-new mansion in the Ottawa area and still have money left over. And even after spending more than \$100 million renovating and maintaining the official residences, the NCC still claimed it needed \$175 million over 10 years to restore the properties and \$26 million annually for ongoing repairs, maintenance and renovations.¹¹⁰

¹⁰³ Canada Post report to Parliament's government operations committee,

<https://www.taxpayer.com/newsroom/canada-post-spends-30.8-million-on-bonuses-while-taking-bailout>

¹⁰⁴ Government of Canada, Response to Order Paper Question, <https://www.taxpayer.com/newsroom/taxpayers-pay-for-alto-bonuses-despite-no-train>

¹⁰⁵ VIA Rail, 2025 Annual Report,

<https://media.viarail.ca/sites/default/files/publications/VIA%20Rail's%202025%20Annual%20Report.pdf>

¹⁰⁶ 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.

¹⁰⁷ VIA Rail, 2025 Annual Report,

<https://media.viarail.ca/sites/default/files/publications/VIA%20Rail's%202025%20Annual%20Report.pdf>

¹⁰⁸ Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

¹⁰⁹ Canadian Taxpayers Federation, The myth of "underfunding" at Canada's official residences,

<https://www.taxpayer.com/newsroom/the-myth-of-%E2%80%9Cunderfunding%E2%80%9D-at-canada%E2%80%99s-official-residences>

¹¹⁰ National Capital Commission, The Condition of Canada's Official Residences, <https://ncc-ccn.gc.ca/places/the-condition-of-canadas-official-residences#:~:text=A%20property%2Dby%2Dproperty%20analysis,fair>

The Historic Ottawa Development Inc. is a non-profit group of architects, conservationists and project managers. Its president is Marc Denhez, who used to serve on the NCC's official residences advisory committee. Denhez told CBC that when it comes to 24 Sussex, he believes "reports of the home's state of decay have been exaggerated and the [NCC's] suggested price tag to fix it is out of step with industry norms."

"It can be done for a lot less money if you know how to kick the tires," Denhez said.¹¹¹

The NCC has a long history of wasting taxpayers' money. For example, it spent \$8 million building a barn on the governor general's estate.¹¹² It also spent \$140,000 studying and designing a staircase at Rideau Hall that it never built.¹¹³

The NCC also spent \$9,900 renting a tent with a chandelier, \$4,800 on a set of mahogany doors and it dropped more than \$30,000 on multiple renovations of a "Rose Garden fountain."

At Harrington Lake, the prime minister's country estate, the NCC spent \$2.5 million on a back-up cottage, while it spent another \$735,000 renovating the kitchen in the main residence.¹¹⁴ Smaller purchases included new appliances (\$30,000), wine and beverage coolers (\$3,500), a boat rack (\$8,500) and a golf cart (\$5,000).

Defunding the NCC and using half of its budget to contract out its current work would save taxpayers almost \$81 million annually.¹¹⁵

Telefilm Canada: Private sector investment in Canada's TV and film production are at record levels.¹¹⁶ 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

¹¹¹ CBC, Battle over 24 Sussex's future heats up with a new plan to save run-down residence, <https://www.cbc.ca/news/politics/save-24-sussex-new-plan-1.6953440>

¹¹² Government of Canada, Access-to-information request, <https://www.taxpayer.com/newsroom/feds-build-8-million-%E2%80%9Cbarn%E2%80%9D-at-rideau-hall>

¹¹³ CBC, More than \$250K spent on Gov. Gen. Julie Payette's demands for privacy at Rideau Hall, <https://www.cbc.ca/news/politics/rideau-hall-expenses-privacy-projects-1.5676088>

¹¹⁴ Toronto Star, Inside the \$11M renovations to the prime minister's official country home, https://www.thestar.com/news/canada/inside-the-11m-renovations-to-the-prime-minister-s-official-country-home/article_5d8feb5-a728-5f71-8d2f-7550e6d1f06f.html

¹¹⁵ Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

¹¹⁶ 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 \$111 million annually.¹¹⁷

Canada Post: The Government of Canada established Canada Post as a Crown corporation in 1981 with the government as its sole stakeholder.¹¹⁸ The government gave Canada Post a monopoly on letter pickup and delivery.¹¹⁹ Despite this advantage, Canada Post lost \$5.4 billion over the last eight years.¹²⁰ 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 in 2025 to “prevent insolvency.” The government announced up to another \$1.01 billion for Canada Post in February 2026 “as a short-term financial bridge.”¹²¹

Other countries like the United Kingdom,¹²² Portugal,¹²³ the Netherlands,¹²⁴ Japan,¹²⁵ Israel,¹²⁶ Belgium,¹²⁷ Malta,¹²⁸ and Austria sold or partially privatized their government postal company.¹²⁹ In Europe, the delivery of all letters has been open to competition since 2013, effectively ending postal monopolies.¹³⁰

¹¹⁷ Government of Canada, Main Estimates, 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

¹¹⁸ 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>

¹¹⁹ 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

¹²⁰ 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>; Canada Post, Canada Post reports \$1.57 billion loss before tax for 2025, <https://www.canadapost-postescanada.ca/cpc/en/our-company/news-and-media/corporate-news/news-release/2026-04-20-canada-post-reports-157-billion-loss-before-tax-for-2025>

¹²¹ Government of Canada, Statement by Public Services and Procurement Canada on additional funding for Canada Post for the 2025–26 fiscal year, <https://www.canada.ca/en/public-services-procurement/news/2026/02/statement-by-public-services-and-procurement-canada-on-additional-funding-for-canada-post-for-the-202526-fiscal-year.html>

¹²² Associated Press, <https://apnews.com/article/germany-deutsche-post-dhl-shares-government-4037767ccaa550bbdd8cf795e828e7be>

¹²³ Post & Parcel, <https://postandparcel.info/62636/news/portugal-completes-sale-of-ctt-group/>

¹²⁴ Dutch News, https://www.dutchnews.nl/2006/11/privatisation_of_tnt_completed/

¹²⁵ The Japan Times, <https://www.japantimes.co.jp/news/2021/10/06/business/japan-post-share-sell/>

¹²⁶ The Jerusalem Post, <https://www.jpost.com/breaking-news/article-829130>

¹²⁷ Post & Parcel, <https://postandparcel.info/13659/news/post-danmark-cvc-buy-stake-in-belgian-postal-service-for-eur300-million/>

¹²⁸ Time of Malta, <https://timesofmalta.com/article/cabinet-approves-sale-of-maltapost.6106>

¹²⁹ Post & Parcel, <https://postandparcel.info/14895/news/austria-starts-postal-service-privatisation/>

¹³⁰ 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/>

“By selling [the Royal Mail], we help that important national business to prosper and invest in the future, while we use the money we get to pay down the national debt and pay less interest on that debt as a result,” said George Osborne, U.K. Chancellor of the Exchequer at the time of the privatization.¹³¹

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

“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.¹³²

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 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 \$190 million annually.

CBC and media subsidies

Media organizations should be funded voluntarily, whether through fee for service from their viewers, advertisers, voluntary contributions or a combination of each. Media organizations

¹³¹ UK House of Commons, Privatisation of Royal Mail, <https://researchbriefings.files.parliament.uk/documents/SN06668/SN06668.pdf#page=13>

¹³² Vincent Geloso, Maclean’s, Time to Privatize Canada Post, <https://macleans.ca/society/privatize-canada-post/>

shouldn't take money from taxpayers. Media organizations also shouldn't be forced to compete with a government-funded organization such as the Canadian Broadcasting Corporation.

The CBC will cost taxpayers \$1.4 billion this year, according to the Main Estimates.¹³³ And the CBC's own records show it has a bloated bureaucracy that costs taxpayers too much money.

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.¹³⁴ 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.¹³⁵

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 318 per cent since 2015.

CBC spending on pay raises has also significantly increased.

After cancelling its taxpayer-funded bonuses, CBC handed out record high pay raises that cost \$37.7 million in 2024-25.¹³⁶ 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."¹³⁷

¹³³ Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

¹³⁴ Access-to-information records, <https://www.taxpayer.com/newsroom/hundreds-of-cbc-managers,-directors-and-producers-paid-six-figures>

¹³⁵ Access-to-information records, <https://www.taxpayer.com/newsroom/cbc-six-figure-salaries-soar>

¹³⁶ Access-to-information requests, <https://www.taxpayer.com/newsroom/cbc-hands-out-record-high-pay-raises-after-cancelling-bonuses>

¹³⁷ CBC, Independent review of compensation at CBC/Radio-Canada, <https://cbc.radio-canada.ca/en/media-centre/independent-compensation-review-results>

It's important to note that ending government funding to the CBC does not necessarily mean abolishing the CBC. The CBC brought in \$589 million from non-government sources in 2024-25, according to its most recent annual report.¹³⁸ The CBC should, like all other media companies in Canada, be forced to fund itself through voluntary contribution and advertising revenue, not rely on 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 2023-24.¹³⁹ The media subsidy will cost taxpayers at least \$75 million this year.¹⁴⁰

Globe and Mail columnist Andrew Coyne notes that government subsidies aren't saving the news business.¹⁴¹

"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 \$1.4 billion annually.

Recommendation: End all media subsidies.

¹³⁸ CBC, Annual Report 2024-25, <https://site-cbc.radio-canada.ca/documents/impact-and-accountability/finances/2025/2024-2025-annual-report.pdf>

¹³⁹ Government of Canada, Budget 2019, Tax Measures: Supplementary Information, <https://www.budget.gc.ca/2019/docs/plan/budget-2019-en.pdf>

¹⁴⁰ Government of Canada, Report on Federal Tax Expenditures 2026, <https://www.canada.ca/content/dam/fin/publications/taxexp-depfisc/2026/taxexp-depfisc-26-eng.pdf>

¹⁴¹ *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/>

High-speed rail

Alto is the federal Crown corporation tasked with overseeing the government's high-speed rail project. It will cost taxpayers \$710 million this year, according to the Main Estimates.¹⁴²

Alto has already wasted money on taxpayer-funded bonuses. It handed out \$2.8 million in bonuses between Jan. 1 and July 16, 2025, according to government records released in response to an order paper question.

All 18 Alto executives took a bonus totaling \$1.2 million. That's an average bonus of about \$68,500 per executive. All 116 non-executive employees also received a bonus. Alto paid out \$1.5 million to non-executive staffers.¹⁴³

Alto is years away from construction on a high-speed train project between Toronto and Quebec City, according to its website.¹⁴⁴ It doesn't plan on laying track until 2029 at the earliest. In fact, Alto doesn't even know the exact route for its train.

"We don't have a very precise alignment to start," Martin Imbleau, Alto's CEO told CBC.¹⁴⁵

The government estimates building the high-speed train will cost between \$60 billion and \$90 billion and won't be completed for almost two decades. Even if the final price tag is "only" \$60 billion, that means construction of the train will cost a family of four about \$5,000.¹⁴⁶

Even the government's cost estimate – \$60 billion to \$90 billion – should set off alarm bells.

"When \$30-billion shows up, not as the cost of the project, but just as the margin of error, you know you're in trouble," wrote Andrew Coyne in the *Globe and Mail*. "In fact, experience at home and abroad suggests the final cost could be much more than that."¹⁴⁷

¹⁴² Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

¹⁴³ Government of Canada, Response to order paper question, <https://www.ourcommons.ca/written-questions/45-1/q-1058/14135472?showQuestion=true§ion=all>

¹⁴⁴ Alto, What's happening?, <https://www.altotrain.ca/en/about-alto/whats-happening>

¹⁴⁵ CBC, 5 key questions on high-speed rail as public consultations launch, <https://www.cbc.ca/news/canada/ottawa/5-key-questions-on-high-speed-rail-as-public-consultations-launch-9.7052807>

¹⁴⁶ Estimate is based on medium population in 2043, per Statistics Canada, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710005701&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=3.1&pickMembers%5B2%5D=4.1&cubeTimeFrame.startYear=2025&cubeTimeFrame.endYear=2043&referencePeriods=20250101%2C20430101>

¹⁴⁷ Andrew Coyne, *Globe and Mail*, On Canada's high-speed rail plan, the numbers just don't add up, <https://www.theglobeandmail.com/opinion/article-on-canadas-high-speed-rail-plan-the-numbers-just-dont-add-up/>

There have been at least two-dozen studies of high-speed rail between Ontario and Quebec.¹⁴⁸ And the tab keeps growing.

A 1995 study by the federal, Ontario and Quebec governments pegged the cost at about \$19 billion (in today's dollars).¹⁴⁹ An updated study in 2011 pegged the cost at about \$29 billion (in today's dollars).¹⁵⁰ Fast forward to today, and governments think the cost could grow to \$90 billion.

"We're now at two to three times that [original estimate], but who knows where we'll be once they actually start to put shovels in the ground, or where we'll end up, once they deal with the inevitable lawsuits, labour stoppages, unexpected detours and the rest," Coyne said.¹⁵¹

It's not just our own governments that keep predicting higher costs. Cost overruns for high-speed trains are the rule around the world, not the exception.

Take California's experience. Its high-speed train connecting Los Angeles to San Francisco was supposed to be completed in 2020 and cost \$33 billion. Nearly two decades later and the price tag has ballooned to \$126 billion.¹⁵² Meanwhile, not a single track has been laid.

The United Kingdom's high-speed train, HS2, was initially expected to cost about \$60 billion. Two years later the price tag jumped to \$90 billion. Independent rail experts now suggest the price tag can be as high as \$161 billion.¹⁵³

And it's not just a couple high-speed rail projects that have gone significantly over budget.

Bent Flyvbjerg is a leading megaproject scholar. He says there's an iron law of government megaprojects: Over budget, over time, under benefits, over and over again.¹⁵⁴

¹⁴⁸ High-speed rail Canada, <https://www.highspeedrailcanada.com/>

¹⁴⁹ Governments of Canada, Ontario and Quebec, Quebec – Ontario high-speed rail project, <https://drive.google.com/file/d/0B6QvXHw7cJQ2V291NEpEM3haWIE/view?resourcekey=0-DnCZ3zsv-U5F7M7v4JTIJg>

¹⁵⁰ Governments of Canada, Ontario and Quebec, Updated feasibility study 2011, <https://drive.google.com/file/d/0B6QvXHw7cJQ2dHZncnZwM1VSeUk/view?resourcekey=0-UJnL-84Ur2JUOmjKqICwnQ>

¹⁵¹ Andrew Coyne, Globe and Mail, On Canada's high-speed rail plan, the numbers just don't add up, <https://www.theglobeandmail.com/opinion/article-on-canadas-high-speed-rail-plan-the-numbers-just-dont-add-up/>

¹⁵² CBS News, High-speed rail is commonplace in many other countries. Will it track in the U.S.?, <https://www.cbsnews.com/news/us-high-speed-rail-60-minutes/>

¹⁵³ BBC, HS2 blew billions – here's how and why, <https://www.bbc.com/news/articles/c98486dznzo>

¹⁵⁴ Flyvbjerg, Bent, Introduction: The Iron Law of Megaproject Management (2017). Bent Flyvbjerg (Ed), The Oxford Handbook of Megaproject Management, Oxford University Press, Chapter 1, pp. 1-18.

“Rail projects globally experience an average cost overrun of 39 per cent, among the highest of any type of transportation mega-project,” according to the Infrastructure Institute.¹⁵⁵

If Canada’s high-speed rail experiences the same cost overruns as the global average, it would cost between \$83.4 billion and \$125.1 billion. That works out to an average cost of up to \$10,700 for a family of four.

Taxpayers should expect to be paying for this train for decades.

“After accounting for annual revenue and deducting capital repayment and operating costs, the projected subsidies required each year is around \$1.28 billion,” according to research from McGill University.¹⁵⁶

Recommendation: Scrap the high-speed rail project.

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.

For a full analysis of these four fundamental flaws of equalization see, “Balancing the budget and providing tax relief,” which is a previous pre-budget submission from the Canadian Taxpayers Federation.¹⁵⁷

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

¹⁵⁵ Infrastructure Institute, Submission on High-Speed Rail to the Senate Standing Committee on Transport and Communications, https://infrastructureinstitute.ca/wp-content/uploads/2026/01/HSR_Senate-Transport-and-Communications-Submission_Siemiatycki-1.pdf

¹⁵⁶ McGill University, High-speed rail in Canada, https://tram.mcgill.ca/Research/Surveys/HSR_REPORT_2026.pdf

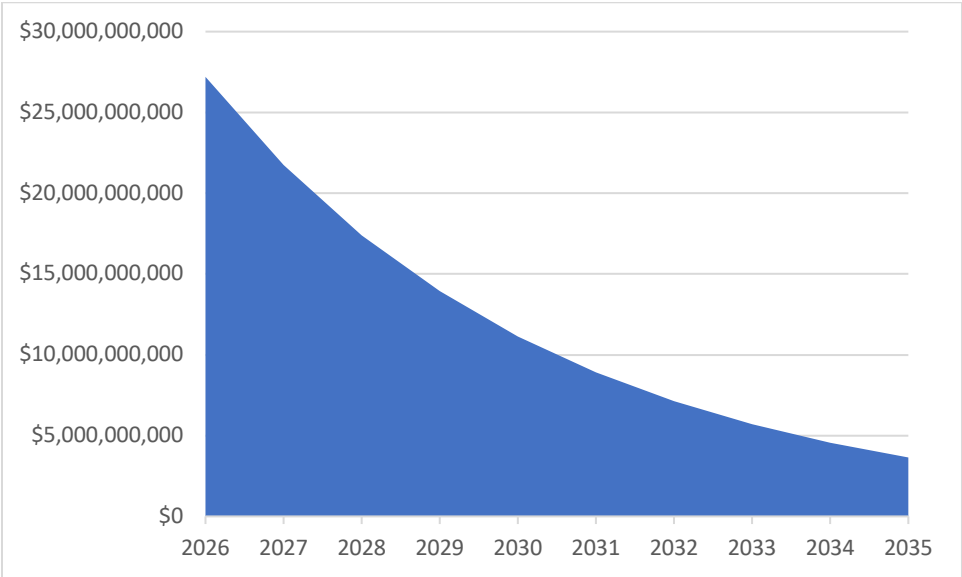
¹⁵⁷ Canadian Taxpayers Federation, 2024-25 pre-budget submission, <https://www.taxpayer.com/media/2024-CTF-Pre-Budget-Submission.pdf>

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 2035), 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 \$21.8 billion through the CTF equalization proposal in 2027 and \$121.4 billion by the end of the program in 2035. 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 the CTF’s proposal. Taxpayers would save about \$55 billion over the next four years with the CTF’s proposal.¹⁵⁸

Table: Taxpayer savings with CTF equalization proposal, 2027-28 to 2030-31

Year	Current equalization	CTF proposal	Taxpayer savings
2027	\$28,200,000,000	\$21,760,000,000	\$6,440,000,000

¹⁵⁸ Current equalization costs from Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

2028	\$29,300,000,000	\$17,408,000,000	\$11,892,000,000
2029	\$30,400,000,000	\$13,926,400,000	\$16,473,600,000
2030	\$31,600,000,000	\$11,141,120,000	\$20,458,880,000
Four-year savings			\$55,264,480,000

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.¹⁵⁹

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 \$6.4 billion next year compared to the status quo.

Gun ban and confiscation

The federal government’s gun ban and confiscation 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 confiscation would cost \$200 million.¹⁶⁰ Then in early 2021, former public safety minister Bill Blair said the costs would land “somewhere between \$300 and \$400 million dollars.”¹⁶¹

On June 29, 2021, the Parliamentary Budget Officer released analysis showing that the cost to reimburse gunowners could reach up to \$756 million.¹⁶²

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.¹⁶³

¹⁵⁹ Ted Morton, “Referendum Time?” C2C Journal, <https://c2cjournal.ca/2018/04/screwing-the-west-to-pay-the-rest/>

¹⁶⁰ 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/>

¹⁶¹ 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>

¹⁶² Parliamentary Budget Officer, “Cost Estimate of the firearm buy-back program,” <https://distribution-a617274656661637473.pbo-dpb.ca/4196f91c9ca790eba879bf359fc2535b02af838191712fcef827a0643d71b4a7>

¹⁶³ Statistics Canada, “Police resources in Canada, 2019,” <https://www150.statcan.gc.ca/n1/pub/85-002-x/2020001/article/00015-eng.htm>

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.¹⁶⁴

Mauser estimates that when you consider the other costs to administer the program, the gun confiscation would cost taxpayers between \$2.6 billion and \$6.8 billion.¹⁶⁵ 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*.¹⁶⁶

Despite a massive cost, the gun confiscation 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 confiscation be ineffective, but it could also make things worse.

"It diverts extremely important personnel, resources, and funding away from addressing the more immediate and growing threat of criminal use of illegal firearms," the NPF said.¹⁶⁷

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

¹⁶⁴ 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>

¹⁶⁵ 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>

¹⁶⁶ 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>

¹⁶⁷ 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

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.”¹⁶⁸

This spending is in addition to the \$18 billion the federal government sends to the provinces through the Canada Social Transfer annually.¹⁶⁹ 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.”¹⁷⁰ 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 more than \$7 billion on advanced and post-secondary education this year.¹⁷¹

The government claims the SSHRC-funded studies provide “insights on the issues that matter most to Canadians.”¹⁷² But the CTF reviewed hundreds of pages of federal grants and identified countless obscure studies that aren’t priorities for most Canadians, including “learning from ice,” and “gender equity” in bicycling.

Here are a few examples of the research the SSHRC has funded in recent years:

- Gender Politics in Peruvian Rock Music (\$20,000)¹⁷³
- Cart-ography: tracking the birth, life and death of an urban grocery cart, from work product to work tool (\$105,000)¹⁷⁴
- My Paw in Yours: Dead Pets and Transcendence of Species Divides in Experimental Art-Making Practice (\$17,500)¹⁷⁵
- Playing for Pleasure: The Affective Experience of Sexual and Erotic Video Games (\$50,000)¹⁷⁶

¹⁶⁸ 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

¹⁶⁹ Government of Canada, Spring Economic Update 2026, <https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf>

¹⁷⁰ Government of Canada, Canada Social Transfer, <https://www.canada.ca/en/department-finance/programs/federal-transfers/canada-social-transfer.html>

¹⁷¹ Alberta government, Fiscal plan, <https://open.alberta.ca/dataset/3393a7b5-07bf-4b9f-8aaf-a6d89273297b/resource/58a8d024-398f-482e-b1c2-81a754a97253/download/budget-2026-fiscal-plan-2026-29.pdf>

¹⁷² Government of Canada, SSHRC, Raison d’être, mandate and operating context, <https://sshrc-crsh.canada.ca/en/about-sshrc/planning-and-performance-reporting/corporate-reports/departmental-plans/2025-2026/raison-etre-mandate-operating-context.aspx>

¹⁷³ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=212676&Langue=2>

¹⁷⁴ Government of Canada, https://www.sshrc-crsh.gc.ca/results-resultats/recipient-recipientaires/2018/cgs_doctoral-besc_doctorat-eng.aspx

¹⁷⁵ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=182437&Langue=2>

¹⁷⁶ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=214117&Langue=2>

- She's Still Sounding: Working towards a gender inclusive and intersectional piano curriculum (\$17,500)¹⁷⁷
- Re-visioning yoga and yoga bodies: Expanding modes of embodiment with non-normative bodies (\$45,000)¹⁷⁸
- Teens' self-fashioning of sexual and gender identities in online Harry Potter fan communities (\$7,777)¹⁷⁹
- Suitably Dressed: Finding Social Justice through Distinctions in Modest Fashion for Men, Women and Transgender People (\$35,000)¹⁸⁰
- The Intersection of Xenophobia, White Supremacy, and Colonialism in the 2019 Dismissal of Don Cherry: A Critical Discourse Analysis (\$17,500)¹⁸¹
- From free speech to hate speech: examining right-wing student activism on Canadian university campuses (\$35,000)¹⁸²

Recommendation: End funding to the SSHRC, saving taxpayers \$1.4 billion annually.¹⁸³

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 Syria¹⁸⁴
- 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!"
- \$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.

¹⁷⁷ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=194624&Langue=2>

¹⁷⁸ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=189726&Langue=2>

¹⁷⁹ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=189805&Langue=2>

¹⁸⁰ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=215473&Langue=2>

¹⁸¹ Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=193513&Langue=2>

¹⁸² Government of Canada, <http://www.outil.ost.ugam.ca/CRSH/Detail.aspx?Cle=199814&Langue=2>

¹⁸³ Government of Canada, Main Estimates 2026-27, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2026-27-estimates.html>

¹⁸⁴ 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/>

- \$10 million for a chancery in Ukraine.
- \$58 million on 23 properties in London, England that serve as “staff quarters.”

Global Affairs spent about \$9 billion in 2024-25, according to the most recent Public Accounts.¹⁸⁵ That’s up from \$8.5 billion the year before.¹⁸⁶ Given all Global Affairs’ wasteful spending, the CTF recommends the government cutting its 2024-25 level of spending by at least 25 per cent, savings taxpayers almost \$2.3 billion annually. The government should also launch a full spending review into the department to identify and cut all wasteful spending.

Recommendation: Cut Global Affairs’ budget by 25 per cent, saving taxpayers almost \$2.3 billion annually.

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 \$35 million in 2026.¹⁸⁷

Parties and candidates also took more than \$260 million in campaign expense reimbursements for the 2021,¹⁸⁸ 2019,¹⁸⁹ 2015 and 2011¹⁹⁰ 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 about \$85 million.¹⁹¹

Recommendation: Scrap the political contributions tax credit, saving taxpayers \$35 million annually.

¹⁸⁵ Government of Canada, Public Accounts 2024-25, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2025/pdf/2025-vol2-eng.pdf>

¹⁸⁶ Government of Canada, Public Accounts 2023-24, <https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2024/pdf/2024-vol2-eng.pdf>

¹⁸⁷ Government of Canada, Report on Federal Tax Expenditures 2026, <https://www.canada.ca/content/dam/fin/publications/taxexp-depfisc/2026/taxexp-depfisc-26-eng.pdf>

¹⁸⁸ 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>

¹⁸⁹ 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>

¹⁹⁰ 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

¹⁹¹ 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>

Recommendation: End the campaign reimbursements for political parties and candidates. This would save taxpayers about \$85 million.