

Summary of 2022-23 pre-budget submission
Brief to the Standing Committee on Finance
Canadian Taxpayers Federation
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Summary of the Canadian Taxpayers Federation’s 2022-23 federal pre-budget submission

The objective of the Canadian Taxpayers Federation’s 2022-23 federal pre-budget submission is to show that the federal government could balance its budget in 2023-24 by returning its program spending to pre-pandemic levels, adjusted upward for inflation and population growth. This is achievable as the federal government was spending all-time highs, after adjusting for inflation and population growth, in the last full budget year before the pandemic. That means that the federal government spent more in 2018-19 than it did during any single year during World War II.

The table below shows the fiscal summary using the CTF’s proposed spending plan. The CTF recommends bringing program spending to pre-pandemic levels, adjusted upward for inflation and population growth, to balance the budget in 2023-24.

Table: CTF’s proposed fiscal summary (billions \$)

	2022	2023	2024	2025	2026
CTF program spending (pre-pandemic adjusted)	\$367.3	\$379.7	\$391.7	\$404.0	\$416.2
Debt charges ¹	\$26.0	\$31.4	\$35.6	\$38.6	\$40.9
Total spending	\$393.3	\$411.1	\$427.3	\$442.6	\$457.1
Revenue ²	\$389.9	\$411.5	\$432.9	\$455.5	\$476.8
Budgetary balance	-\$3.4	\$0.4	\$5.6	\$12.9	\$19.7

The full pre-budget submission is broken into three sections. The entire budget submission is available for committee members upon request.

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

Section 2 is the CTF’s budget analysis that highlights how the federal government can balance its budget by bringing spending to pre-pandemic and all-time high levels, adjusted upward for inflation and population growth.

Section 3 identifies specific savings that CTF is recommending the government find. The CTF identifies more than \$30 billion in annual savings in addition to \$23 billion in potential one-time savings.

¹ Uses same debt charges as forecasted in recent economic statement: <https://www.budget.gc.ca/efu-meb/2021/report-rapport/EFU-MEB-2021-EN.pdf>

² Uses same revenue as forecasted in recent economic statement minus the CTF tax relief proposals: <https://www.budget.gc.ca/efu-meb/2021/report-rapport/EFU-MEB-2021-EN.pdf>

Summary of recommendations:

Balancing the budget:

Recommendation: Balance the budget in 2023-24 by reducing program spending to match pre-pandemic and all-time high levels of spending in 2018-19, adjusted upward for inflation and population growth.

Members of Parliament:

Recommendation: Reverse the pandemic pay raises for politicians and reduce the size of cabinet to its 2015 size under Prime Minister Justin Trudeau.

Governor General:

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

Recommendation: Rein in governor general perks by turning the annual lifetime pensions to an RRSP-style pension payment for years served, and scrap the expense account once a governor general retires.

Senate:

Recommendation: Scrap the proposed increase in the Senate's budget and return spending to the inflation-adjusted spending levels of 2015-16.

Bureaucracy:

Recommendation: Reverse all pay raises since the beginning of the pandemic.

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

Recommendation: Rein in labour costs through a mix of attrition, job reductions and wage cuts.

Growing the economy without corporate welfare:

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

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

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

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

Recommendation: End the federal subsidies to businesses through Crown Corporations and regional development agencies and return any remaining federal funds within those corporations to taxpayers.

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

Get out of the business of business:

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

Recommendation: Set a plan to remove all government funding to CBC, Via Rail, Marine Atlantic, the National Capital Commission and Telefilm Canada.

Defund the CBC and end media subsidies:

Recommendation: Set a plan to end all taxpayer funding to the CBC.

Recommendation: End the media subsidies announced in Budget 2019.

Phase out equalization:

Recommendation: Reduce the size of equalization with the goal of eventually ending the program through the CTF's 20-year equalization phase out proposal.

Recommendation: Respect Alberta voters and consult with the provinces on equalization. In addition, the federal government should pass a bill that requires the federal government to publish all documents from provincial negotiations on the Department of Finance's website.

This would help guard against what happened in 2018, when the federal government extended the existing equalization program until 2024 without consulting with the province.

Health and social transfers:

Recommendation: Freeze the CHT and CST in 2022 at the current \$58.6 billion, then set a maximum transfer cap to the annual rate of inflation for future years.

Gun ban and buyback:

Recommendation: End the gun ban and buyback program.

Government daycare:

Recommendation: End the government's national daycare program introduced in Budget 2021.

Politician welfare:

Recommendation: Require all political parties to pay back the federal wage subsidy.

Recommendation: Scrap the political contributions tax credit.

Recommendation: End the campaign reimbursements for political parties and candidates, which includes not reimbursing campaigns for the 2021 election.

Mission cultural fund:

Recommendation: Scrap the Mission Cultural Fund.

Pandemic spending rule:

Recommendation: Implement a new pandemic spending rule where any increase in pandemic federal government spending must go hand-in-hand with proportional savings somewhere else in the budget so the overall level of federal spending remains unchanged.

Recommendation: Set a concrete end date to all COVID-19 spending.

Comprehensive spending review:

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

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 235,000 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.

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

You can learn more about the CTF at taxpayer.com