REPORT ON PROGRESS: 23rd REPORT OF THE
STANDING COMMITTEE ON PUBLIC ACCOUNTS –
44th PARLIAMENT, 1st SESSION (RESPONSE TO RECOMMENDATION 2)

INTRODUCTION

On behalf of the Government of Canada, on March 31, 2023, the Minister of National Revenue tabled the Government's Response to the recommendations contained in the 23rd Report of the Standing Committee on Public Accounts entitled '*Report 23: Access to Benefits for Hard-to-Reach Populations.*'

As requested, CRA, ESDC, and StatCan are pleased to provide a report on progress related to recommendation 2.

Recommendation 2: "*On improving measurement of benefit take-up – That, by 30 April 2023, the Canada Revenue Agency, Employment and Social Development Canada, and Statistics Canada provide the House of Commons Standing Committee on Public Accounts with a joint progress report on the steps taken to improve measurement of the take-up of benefits such as the Canada Child Benefit, the Canada Workers Benefit, the Guaranteed Income Supplement, and the Canada Learning Bond, including its assessment of existing data on hard-to-reach populations; the implementation of measures to collect missing data; and actions taken to make better use of these data. A final joint report must also be presented by 30 April 2024.*"

Government Response (as tabled on March 31, 2023): "*The CRA, ESDC, and Statistics Canada support this recommendation. The CRA and departments acknowledge and agree to deliver a joint progress report by April 30, 2023, and a final joint report by April 30, 2024. The CRA and ESDC continue to recognize the importance of individuals receiving the benefits to which they are entitled. The CRA, ESDC, and Statistics Canada have taken concrete steps, building on recent efforts, to advance commitments made in the Management Action Plan response to the OAG's report, including:*

- *leveraging existing and implementing new working groups, committees, and senior decision-making tables to formalize governance for ongoing prioritization, development, and reporting on the take-up of benefits for hard-to-reach populations;*
- *assessing all work done to date and establishing a plan for continuous improvement and refinement of measuring the take-up of benefits for hard-to-reach populations;*
- *finalizing an assessment of current practices, methodologies, and data used for reporting of the take-up of benefits and identifying specific opportunities and measures to improve processes, including the alignment of definitions, the clarification of roles and responsibilities, and associated data requirements;*
- *focusing on identification of relevant data, data sharing between departments, and better use of existing data; and*
- *leading research projects and initiatives aimed at understanding gaps in benefit delivery with respect to vulnerable, marginalized, or hard-to-reach populations.*"

Report on Progress*:*

This joint progress report outlines the concrete steps the Canada Revenue Agency (CRA), Employment and Social Development Canada (ESDC), and Statistics Canada (StatCan) have taken and continue to take to both advance the use of data in support of monitoring and reporting to improve measurement of the take-up of benefits and develop a better understanding of hard-to-reach populations. This work will continue to play an important role in improving hard-to-reach populations' access to the benefits to which they are entitled, including the Canada Child Benefit (CCB), the Canada Workers Benefit, the Guaranteed Income Supplement, and the Canada Learning Bond (CLB). Additionally, as requested, a final joint report highlighting this work will be presented by April 30, 2024.

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Assessing existing data

The CRA, ESDC and StatCan are assessing existing data to improve how they measure the take-up of benefits, by:

- Assessing all work done to date and establishing a plan for continuous improvement and refinement of measuring the take-up of benefits.
- Finalizing an assessment of current practices, methodologies and data used for reporting the take-up of benefits.
- Identifying specific opportunities and measures to improve processes, including the development and alignment of common definitions and associated data requirements.

For example, regarding its examination of existing data and opportunities to understand take-up of benefits, a feasibility analysis is being conducted by the CRA. This analysis looks at CCB retroactive payments as an indicator of benefits that were not received at the time of entitlement. The objective is to better understand the population who may be late filers or who may not have received the CCB for different reasons. This work will be done in phases. The initial phase focusing on the methodology along with some high level descriptive statistics ultimately providing insights to inform measurement practices.

Other efforts to maximize existing data include work emerging from ESDC in which they are creating an indicator framework, which will assess socioeconomic outcomes as well as other forms of vulnerability that are relevant to service policy and design. It is intended to address the limitations in the existing indicators, such as lack of comparability, difficulties in use, narrow definition of indicators, and complement the tools already used in ESDC or produced elsewhere. The proposed tool will be used to develop statistical reports, maps and tables examining the extent and nature of vulnerabilities, and whether or not these vulnerabilities intersect for particular groups in the population and/or for specific geographies.

Implementing measures to collect missing data

The CRA, ESDC and StatCan have begun collecting and examining socio-economic and socio-demographic data needed to develop profiles of different segments of the population in order to better understand their perspectives, needs, and barriers with respect to filing taxes and applying for and receiving benefit programs.

For example, to develop a better understanding of hard-to-reach populations, the CRA has completed public opinion research to better understand the perspectives, needs, and barriers Indigenous peoples' experience with respect to applying for benefit programs. This work informs the CRA's and ESDC's approach to service delivery with respect to benefit delivery and outreach activities, as well as develops a better understanding of hard-to-reach populations.

Additionally, ESDC completed measures to link its administrative data to Census data to develop profiles of children eligible for the CLB and identify characteristics that increase the chances of not receiving the benefit. Those characteristics are used to inform which populations are more vulnerable and might need greater attention.

Currently, the CRA, ESDC and StatCan are focusing on identifying data gaps and improving data sharing to make better use of current data holdings by:

- Focusing on the identification of relevant data, data sharing between departments/agencies, and making better use of existing data.
- Implementing opportunities to improve the use of available data, data linkage methods and the collection of data, including administrative and qualitative data.
- Reviewing internal and external information holdings, including administrative and third party data, to establish data inventories that allow the departments/agencies to identify the vulnerable and hard-to-reach populations, in order to understand their characteristics and challenges with the purpose of supporting research and program and service development. This review will identify gaps that may be supplemented by data available from the Census of Population. This will ultimately permit the departments/agencies to quantify the impact of outreach activities.

For example, in considering data sharing and better use of existing data, the CRA and StatCan are completing a second iteration of the linkage rate study. The linkage rate study links T1 tax data for the 2020 Tax Year to 2021 Census data to better understand the participation in tax system and benefits (i.e. CCB) system for different segments of the population. So far this work resulted in an assessment of the participation in the tax system for Indigenous people and non-Indigenous population as well as for on-reserve and off-reserve populations.

In further attempts to maximize administrative data, the CRA and StatCan will examine the tax filing behaviour of recent immigrants (e.g., families with children under age 18) to determine if they accessed the benefits for which they were eligible. The initial feasibility analysis will look at filing rates by cohort based on landing year in addition to those who have not filed for an extended period. This work will be done in phases beginning with an initial feasibility analysis at both individual and family levels.

Following this work and based on the assessment of data gaps, the CRA, ESDC and StatCan will establish a plan by March 31, 2024 for continuous improvement and refinement of measuring take-up of benefits by hard-to-reach populations.

Taking actions to make better use of these data

The CRA, ESDC and StatCan are taking actions to make better use of its existing data to improve measurement of the take-up of benefits and develop a better understanding of hard-to-reach populations by:

- Estimating different segments of the populations' participation in the benefit system to better understand tendencies in benefit take-up for these populations.
- Examining the tax filing behaviour of different segments of the population to determine if they accessed the benefits for which they were eligible.
- Revising the methodologies to estimate the take-up rate to produce consistent and robust take-up rates when new data becomes available.
- Analyzing existing data to better understand where and how to simplify the process of filing taxes for different segments of the population.

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For example, the CRA is exploring the potential to simplify the process of filing taxes for individuals that are on long-term social assistance programs. The data collected by provincial governments administering social assistance programs will be compared to the data that is required by the CRA in completed tax returns.

In considering revisions to methodology, ESDC proposed a revised methodology to estimate the take-up rate for the CCB. This revised methodology expands on the previous methodology by using population projections from StatCan to compute the eligible base of the CCB. A data environment hosting all relevant data required to produce the CCB revised take-up rates, has been created. This will allow ESDC to produce consistent and robust take-up rates when new data becomes available. ESDC is also working on updating the take-up rates of the CCB for the on-reserve population, using this revised methodology.

Furthermore, StatCan undertook a study that focused on Canadian tax filers deemed eligible for child tax benefits who were observed not receiving them (i.e., observed benefit gap). This study examined the uptake of the Universal Child Care Benefit, a benefit that is now defunct, but which is ideal to study as a starting point because it is reported directly on T1 tax returns.

To ensure CRA, ESDC and StatCan work effectively and efficiently together to ensure ongoing prioritization, development, and reporting on the take-up of benefits for hard-to-reach populations, the three organizations have formalized governance, leveraging existing working groups and implementing new working groups, committees and senior decision-making tables.

Leveraging this governance, the organizations will undertake the following initiatives, building on recent efforts, to assess existing data, implement measures to collect missing data, and make better use of current data holdings:
- Assessing all work done to date and establishing a plan for continuous improvement and refinement of measuring the take-up of benefits for hard-to-reach populations.
- Finalizing an assessment of current practices, methodologies and data used for reporting of the take-up of benefits and identifying specific opportunities and measures to improve processes, including the alignment of definitions, the clarification of roles and responsibilities, and associated data requirements.
- Focusing on identification of relevant data, data sharing between departments/agencies and better use of existing data.
- Leading research projects and initiatives aimed at understanding gaps in benefit delivery with respect to vulnerable, marginalized, or hard-to-reach populations.