



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

45th PARLIAMENT, 1st SESSION

---

# Standing Committee on Public Accounts

EVIDENCE

**NUMBER 025**

Wednesday, February 25, 2026

---

Chair: John Williamson





## Standing Committee on Public Accounts

Wednesday, February 25, 2026

• (1610)

[*Translation*]

**The Chair (John Williamson (Saint John—St. Croix, CPC)):**  
Good afternoon everyone.

I call this meeting to order.

Welcome to meeting number 25 of the House of Commons Standing Committee on Public Accounts.

[*English*]

Today's meeting is taking place in a hybrid format pursuant to the Standing Orders. Members are all here in person, and no one is using the Zoom application.

I'd like to remind participants of the following points.

Please wait until I recognize you by name before speaking. All comments should be addressed through the chair.

Members, if there is any kind of debate or interaction outside of regular questions, please raise your hand if you wish to speak, whether participating in the room or remotely on Zoom. The clerk and I will manage a speaking order as best we can.

[*Translation*]

Pursuant to Standing Order 108(3)(g) and the motion passed by the committee on Tuesday, October 21 2025, the committee resumes consideration of the report on the Canada Revenue Agency contract centres, of the 2025 fall reports of the Auditor General of Canada.

[*English*]

As a housekeeping note, for those who aren't aware, Monday's meeting was cancelled suddenly to prioritize a room allocation for the finance committee's study of Bill C-15. I wanted to let you know why that happened. Those witnesses will be rescheduled for later next month or April. Bill C-15, of course, is the budget implementation act, so if you have any questions, our witness today can help answer them.

Speaking of which, I'll turn now to our two witnesses.

Appearing is the Honourable François-Philippe Champagne, Minister of Finance and National Revenue.

Thank you for coming in to see us today, Minister.

From the Canada Revenue Agency, we have Melanie Serjak, assistant commissioner, assessment, benefit and service branch.

You are no stranger to the committee. Thank you for accompanying the minister. We're going to see how well he knows his stuff. If he doesn't, that's why you're here, I'm sure.

Minister Champagne, you have five minutes for an opening statement, if you'd like. The floor is yours.

[*Translation*]

**Hon. François-Philippe Champagne (Minister of Finance and National Revenue):** Thank you, Mr. Chair.

Dear colleagues, it is a privilege to be here with you today. This is my first appearance before the Standing Committee on Public Affairs.

I would like to thank Ms. Serjak for the exceptional work she's done, and all the Canada Revenue Agency employees serving Canadians.

Mr. Chair, committee members, thank you for the invitation.

I am pleased to have the opportunity to appear before the committee today to speak to the situation at the Canada Revenue Agency.

You will remember that on September 2, Secretary of State Wayne Long and I directed the Canada Revenue Agency to immediately implement a 100-day service improvement plan. The goal was clear: restore public trust, strengthen services, improve access and reduce delays that burden taxpayers.

As we've indicated when we first proposed to appear before the committee to discuss these issues, Canadians expect and deserve reliable and timely services from the agency. Despite the dedication of CRA employees, it has become increasingly clear that the agency is currently struggling to meet this standard. It is with this in mind that we asked for improvements, and that I asked the agency's board of directors president to take appropriate action.

While there is still a lot of work to be done—as we must always show humility before Canadians—I am pleased to say today that the 100-day plan, carried out from September 2 to December 11, 2025, has delivered tangible results for those dealing with the agency.

The agency mobilized with exceptional rigour, and I thank the agency for its professionalism. I also thank the agency for its remarkable innovation, collaboration and speed of execution.

The numbers speak for themselves.

First, the agency doubled its capacity to answer calls. To achieve this, it increased the number of contact centre service representatives from 1,500 to 2,750.

Second, it exceeded its target by raising the response rate for unique callers from 35% at the beginning of July to more than 70% at the beginning of September.

Third, the agency accelerated the processing of backlogged files, notably through the automation of its operational processes and the strategic redeployment of its teams. This made it possible to process an additional 115,000 T1 adjustment requests compared to the same period last year.

As you can see, tangible measures were put in place to improve service.

• (1615)

[*English*]

One of the most significant components of the 100-day plan is the accelerated rollout of digital services, because that's the way we can improve services and offer better and more timely services to Canadians. We are moving away from a model where the phone line is the only lifeline to a more secure and 24-7 ecosystem. These services provide taxpayers with a range of modern, secure and accessible tools that promote self-service and free up phone lines for complex cases requiring human expertise, and we're benchmarking with the best practices of other tax agencies around the world.

We get more than 32 million calls per year. I need to pause for a second for those watching at home and members of this committee. That is why I always approach this with humility. Answering 32 million calls a year is a tall order, with an average of 300,000 calls each day during the tax season. I think we all have to say thank you to those on the front line, because they're doing their very best to serve Canadians. Obviously there are system issues, there's some complexity in the tax code and there are some legacy systems we have, and we're trying to tackle all of that at the same time to give them the best possible tools.

I spent half a day in one of the call centres with those people, listening to calls side by side with them, and they're doing their very best. We should, as parliamentarians, be there to support them.

The math is simple. We must promote self-service to keep the lines open for those who truly need human expertise and assistance. Knowing when to call and when to use online tools is therefore essential to improving everyone's experience.

Among the new digital options, the agency now offers Canadians a redesigned phone menu that automatically routes calls to the appropriate experts within the agency. The document verification service, which I think Mr. Stevenson would be familiar with, speeds up account registration by using AI, such as facial recognition, along with strong security measures. There, again, we're benchmarking with the banking industry, for which security is essential. These innovations are expected to significantly reduce the hundreds of thousands of annual calls related to account lockouts.

To further reinforce these efforts, a new self-service credential recovery feature now allows users who have forgotten their sign-in information to regain access to their accounts independently. Also, our priority callback system is something I'm told Canadians really appreciate. Instead of spending time online, they get a callback. That has shown to be a real success.

Between September and December 2025, our priority web-based call service assisted 79,766 Canadians, handling more than 5,000 calls per week. This included a specialized pilot we launched with respect to disability tax credit inquiries, which successfully managed around 4,000 requests, ensuring that taxpayers were contacted within two business days.

The way the agency met the challenge of the 100-day plan underscores an essential truth powered by a technologically enabled workforce. That's what we need to do, and that's why we're trying to give them more tools in their tool boxes to serve Canadians.

Let's be clear: The agency is a world-class tax and benefit administration. It remains committed to providing Canadians with the benefits they are entitled to and making sure that Canada's tax service is strong, modern and obviously responsive to the evolving needs of Canadians.

• (1620)

[*Translation*]

The improvements I have outlined represent only a portion of the measures the agency implemented under the 100-day plan. Since then, many additional initiatives have been deployed, including those aimed at preparing for the current tax-filing season.

Thank you for inviting me. I will be happy to answer my colleagues' questions.

**The Chair:** Thank you, minister.

We'll begin with Mr. Deltell. You have the floor for six minutes.

**Gérard Deltell (Louis-Saint-Laurent—Akiawenhrahk, CPC):** Thank you very much, Mr. Chair.

Good morning, colleagues. Welcome to the committee.

Minister, welcome.

Ms. Serjak, thank you very much for the work you do for Canadians at the Canada Revenue Agency. We'll have an opportunity to get to the bottom of things today.

Minister, you talked about 100 days. I, for one, am going to talk to you about 10 years. You've been a member of Parliament for 10 years, and minister for almost all that time. For 10 years, taxpayers-focused services have dramatically declined. When people make a mistake, they pay. When people are late, they pay. However, for 10 years, your government let the situation at the Canada Revenue Agency horrendously deteriorate. What did that lead to? The agency answered 18% of calls within the set standards, but worse than that, 83% of the information given was wrong.

Minister, I've talked to some of my constituents. Hundreds of citizens wrote to me saying they wanted reasonable response times, clear answers and thoughtful support, because they haven't had that for 10 years.

Why has it taken you 10 years to act, with your 100-day plan, while you let the situation deteriorate?

**Hon. François-Philippe Champagne:** Let me start by thanking you, Mr. Deltell. I take note of your constituents' comments.

You know, we're here to serve Canadians and to make a difference. As you pointed out, I haven't been Minister of National Revenue for very long. When I saw the situation, and newspapers have reported on it as well, and saw that constituents both in your riding and in my riding were asking us to change course, that's exactly why I asked for a 100-day plan.

As far as what the agency's done, I'd be happy to go into the details. We've taken steps, for example, to introduce more technology to help our representatives. Regarding the percentage of calls the agency answers, we're back to a much more sustainable and reasonable rate. If you ask me whether we've done well, I'll tell you that some of the work has been done. Is there more to be done? Absolutely. No one from the agency or any minister is going to come here and tell you that we've reached our objective.

**Gérard Deltell:** I understand.

**Hon. François-Philippe Champagne:** However, we do this work seriously, with empathy and humility.

**Gérard Deltell:** However, for 10 years, nothing was done.

I understand that one of your predecessors held sway in this position for seven years, was fired from cabinet by then Prime Minister Justin Trudeau and was fired from the House of Commons by the constituents of Gaspésie. That's fine, but it's still your government that let the situation deteriorate, which led to hundreds of citizens being outraged at the Canada Revenue Agency. At the very least, people expect the information they're given to be the right information.

Why did it take you 10 years? Who's responsible for that? Who paid for this lack of responsibility towards Canadians?

**Hon. François-Philippe Champagne:** As I said, we have to be humble in our approach. You're referring to the response rate, but we have to put that in perspective. I was told it's based on a sample of 50 calls, while the agency receives 32 millions calls a year. I can tell you that when—

**Gérard Deltell:** Are you questioning the Auditor General's findings?

**Hon. François-Philippe Champagne:** No, I just want to—

[English]

**Gérard Deltell:** That's exactly what you just said.

[Translation]

**Hon. François-Philippe Champagne:** No. I'm talking about their methodology. They looked at 50 calls out of 32 million.

**Gérard Deltell:** Don't you think that's telling?

**Hon. François-Philippe Champagne:** I think Canadians can work things out.

**Gérard Deltell:** Oh, okay. So what the Office of the Auditor General did doesn't mean anything.

Why then did you go ahead with your 100-day plan?

**Hon. François-Philippe Champagne:** Let me just respond. That's 50 calls out of 32 million. People at home can do the math.

Let's take a look at what we at the agency have done: based on the 100,000 calls we evaluated, our success rate is 90%.

Obviously, I respect the Auditor General's work. When she uses the same methodology as ours, we arrive at the same figures.

• (1625)

**Gérard Deltell:** It is truly unfortunate to see a serious Minister of Finance cast doubt on the audit conducted by the Auditor General. I find it very disappointing to see you act this way, Minister.

Does your department focus more on the big fish or on cases involving ordinary citizens?

Let me explain. Our citizens talk to us about this a lot. They wonder why someone who is \$200 or \$300 short will be harassed by the Canada Revenue Agency, while the entrepreneur, company or millionaire who can afford to hire lawyers and tax specialists will be able to reach an agreement with the agency and not pay what is owed.

**Hon. François-Philippe Champagne:** Everyone must pay their fair share of taxes.

Allow me to return to your previous statement. I respect the work of the Auditor General; I was simply explaining the methodology to you. What I am saying is that if you use the same methodology, you will arrive at roughly the same result. That is all I am saying. The samples are different, but I invite you to check this with the Auditor General. We did so, and when we used the same methodology, we arrived at the same figures.

**Gérard Deltell:** Ah, I see.

**Hon. François-Philippe Champagne:** Since the methodology is different, we arrive at different figures, but what I told you first—

**Gérard Deltell:** So, since you are able to go into the results in such depth, can you tell us how many citizens have been misled by bad information and how much money is owed to them or has not been paid?

**Hon. François-Philippe Champagne:** What I said is that when you use the methodology adopted by the agency and the Auditor General, you end up.... Of course, if you have two different methodologies, you get different results.

Basically, I thank the Auditor General for her report, because it shed light on the situation. Based on that, I took action. I am telling you this because, ultimately, I am here to testify about what I have done. So, I asked the agency to develop a 100-day plan specifically to improve the quality of services—

**Gérard Deltell:** Whom did you ask?

**Hon. François-Philippe Champagne:** —and the technology, to ensure that we have better processes.

Mr. Deltell, I invite you to spend a day with me at the agency, with the people there. You will see that these are people who are trying to serve the public in the best way possible, but we have to give them the tools to do so, and that is what we are doing.

**Gérard Deltell:** For my part, I invite you to a constituency office to hear comments from citizens who tell us that they are poorly served by the Canada Revenue Agency. For 10 years, your government has allowed the situation to deteriorate. Now you are putting together a 100-day plan. Couldn't you have done that 10 years ago, rather than a year ago?

**Hon. François-Philippe Champagne:** Mr. Deltell, you are an honourable man. You know that I have only recently become Minister of National Revenue. When I saw the situation deteriorating—as everyone will agree—I took the necessary measures. First, I asked the chair of the agency's management board to support us in this work. You must at least acknowledge that we rectified things. We changed the course of things. Standards have been raised in terms of the number of calls. We adopted technology and used artificial intelligence.

As I said, this is an ongoing process, Mr. Deltell. I'm not here to tell you that everything is rosy. I'm just saying that—and I'm sure you'll agree—when there's a problem, my job is to fix it. I've tackled it head-on and I'm trying to fix it.

**Gérard Deltell:** Citizens want results, not excuses. They certainly don't want you to tell them that it's because you've just taken up your post. Your government has been in power for 10 years, and for 10 years you have allowed things to deteriorate. Citizens are the ones paying the price, and we are still wondering who in your department has paid for all this.

**Hon. François-Philippe Champagne:** First, I would say to you, Mr. Deltell, that this is a new government, since the arrival of Prime Minister Carney.

Second, I am the Minister of National Revenue, but I am here, like you, to shed light on things and to make improvements. We can look back, but I am looking forward. You too are a results-oriented person. You will agree that I have spent hours with agency officials so that, together, we could improve services. We are not saying that

the work is done, but we are saying that we are doing the work that is necessary to better serve citizens.

**Gérard Deltell:** Please share that with the hundreds of people who are complaining in my constituency.

**The Chair:** Thank you very much.

[English]

Next is Ms. Tesser Derksen.

You have the floor for six minutes.

**Kristina Tesser Derksen (Milton East—Halton Hills South, Lib.):** Thank you so much, Mr. Chair, and thank you, Minister, for coming today. I appreciate that.

I just want to provide a bit of a foil to the comments of my respected colleague. My husband has run a small business for almost 20 years, and I'm also an entrepreneur. While no one is denying that there was room for improvement at CRA, I had some really good experiences dealing with the folks there. Even when agents couldn't get us immediate answers, they were always polite, they were respectful and they worked hard. I could tell they took pride in their positions and in the work they were doing for Canadians. That was across the board. I always felt like I was respected, even if sometimes the information I was getting might not have been fulsome or as accurate as it could have been.

I just want to provide that for all the folks out there who might be watching who may have worked for CRA or are working for CRA. We do value the work you're doing.

Minister, when Secretary of State Wayne Long was here in December, he updated us on the 100-day plan, which at that time was well into its mandate. You've had some time, I presume, to review the results, and you've given us some points. I'd like to know what you have found, either anecdotally or according to data, to be most impactful. What's the most impactful transformation that has come out of the 100-day plan?

• (1630)

**Hon. François-Philippe Champagne:** Thank you for what you said.

I should have said from the get-go that I want to thank all the civil service people who work at the agency, particularly those in Shawinigan, as you would expect. That is where my heart is. I want to say thank you to them. I know many of them, and as you said, they're good people. They're trying to do their best with an outdated system.

To go back to what Mr. Deltell was asking, if I were to zero in, I would say it's the use of technology, because this is about improving services. I spent half a day side by side with an agent. Obviously, I could not answer the calls myself, but I could listen to the calls. When I realized it may take half an hour to identify a person, I started to understand why we have so many delays. It's because of some of the technology. I witnessed it. I was next to them. When you call a bank, there are other ways for you to be identified so that when you get to a human, they can deal with complex situations.

I'll give you an example. There were 300,000 phone calls from people who were calling the agency because they lost their password. They were locked out. Just think about that—300,000 people. We have dedicated professionals serving Canadians. You and I would agree—and I think members of the committee would too, since I see them nodding and smiling—that there's a better way to do that. When you lose your password to access your bank account, most people just go online, and the bank texts them a number or they email a new one, and then they have access again. That would allow professionals to be dedicated to serving Canadians better.

What I saw was accelerating technology. As you know, we are moving from the IBM contract service, which was the legacy system, to a Bell Canada service. We'll have a best-in-class call centre with AI-enabled functions to help our people do the best they can.

What I witnessed is that you can ask these people to handle calls in less time, but it really depends on the system, the complexity and the nature of the question. That's why I said that you have to approach it with humility. That's why I hope that members of the committee will go to one of these call centres to see this for themselves.

You also have to accept that the agency has been delivering a number of benefits. Some are new, like the disability tax credit, for example. It's normal for people to have questions with respect to that and on a number of things that we did during the pandemic.

We've really focused on how we can answer more calls and how we can have self-service options. If you go to the website, you'll see there are more ways for people to deal online with the situations that concern them. We're looking at the root causes and how we can simplify the process.

I must say that Madame Serjak has been great at finding ways to simplify the process. I'll say that to Mr. Stevenson. We consulted a number of people and said, "What is your experience? How can we work with CPAs and accounting firms in the country? What are the pain points? What can we do?" I would say it's kind of a modernization.

We have invested in the agency, and I'm very conscious, as Monsieur Deltell was saying, that the same people who write to him would stop me on the street to talk to me about that. I'm very conscious of their concerns.

I can tell you that every time someone has stopped me, I've made sure that I call the commissioner. He's on speed-dial. Every time someone stops me in the street to tell me about something that doesn't work with the agency, I call the commissioner, because it's good for him to know. People tend to recognize me and they may know him less, but trust me: You can rest assured that every time someone.... You can see Madame Serjak smiling, because they receive a number of phone calls from me. Every time someone stops me to talk, I refer it back to the agency and say, "What can we do? How can we address the situation?"

I would say to this committee that a lot of the root cause is around technology. I want to thank all the people at the agency, because they have embraced the challenge like never before, but if you want to free up agents and reduce the time to answer calls, you have to leave the kinds of services that used to be provided by an

agent to technology. There's My Account, for example, where people can manage their payments. A lot of those types of things are being done online, and the numbers speak for themselves.

As I said, it's a work in progress. I'm not here to say to Canadians that everything has been done, but I can tell you that the person who was next to me and all the 50,000-plus agents we have at the agency are really doing their best to serve Canadians.

● (1635)

**Kristina Tesser Derksen:** That's great. Thank you so much.

It's good to hear that you had a good experience sitting in on the calls. I personally would have loved it if I called CRA and you'd answered the call and I had you on the other line. I think that would have been great.

Just to flip the coin a bit, is there anything that came out of the 100-day plan that had much less impact than you were anticipating? Were there things you thought you would see great success on that didn't really bear out?

**Hon. François-Philippe Champagne:** People say I have a bit of energy, and some would say I'm impatient. I wish we could go faster.

Obviously, we're dealing with a certain level of complexity. The assistant deputy minister could tell you that there are security issues. We have a legacy system. We need to make sure we prevent fraud. We need to make sure we provide services to people who, for example, may not have access to technology because they may not be familiar with these tools. There are a lot of things.

Despite my trying to push them to go faster, adoption of technology takes time, and there's training. For example, this whole AI system is going to help us, and we're getting there, but if you ask me, I'd say my frustration was probably the speed at which we can do that.

One thing they did very quickly was to deploy agents to reduce the waiting time. That they could do, and I'm grateful for that, but when you talk about technology implementation and adoption and all the security systems we need and the cybersecurity we need, there are very few off-the-shelf things you can just plug in and say, "Here you are. You have a silver bullet." You need to test these systems. They need to be robust. They need to be fit for purpose in a world where cybersecurity is top of mind. We are dealing with personal data, so we have to be best in class.

**The Chair:** Thank you very much. That is your time, I'm afraid.

[*Translation*]

Mr. Lemire now has the floor for six minutes.

**Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair.

Minister, thank you for joining us.

As you mentioned, Minister, you represent a region that can be described as remote, like mine. In the current context of budget cuts, there is little new hiring in regional centres, which is fuelling concern about the future and sustainability of the public service in more rural areas.

To what extent does the government intend to implement measures to protect existing jobs and ensure the maintenance, or even growth, of the workforce in remote regions such as yours and mine? How can we promote local employment and community vitality, rather than continuing to serve large urban centres?

**Hon. François-Philippe Champagne:** Thank you, Mr. Lemire. That gives me an opportunity to say something about this.

You know, I recently had the opportunity to participate in the official opening of the Shawinigan tax centre. This is one example of how investing in the future helps to secure jobs. We had one of the largest centres where the agency conducts audits, and I believe it was the most bilingual in Canada. I made sure that we were going to invest in it. You're right about that. In my mind, I've always tried to prioritize jobs in the regions, and I'll tell you why: it's because the retention rate is higher. We've noticed that. At the Shawinigan tax centre, for instance, our retention rate is around 95%. In large urban centres, of course, there is more labour mobility. Training an audit officer takes us 6 to 12 months. So, you can see that there is a regional economic development benefit, but there is also an economic benefit in keeping our people. Furthermore, you know as well as I do that in the regions, people make a career out of it. People who join the agency in Shawinigan, in my region, spend 20 or 30 years of their lives there.

I completely agree with you: investment and prioritization are needed, because it makes sense.

**Sébastien Lemire:** We are counting on you.

We have seen both CRA officials and your Secretary of State, Mr. Long, come forward to question the accuracy of the data and responses provided by the Auditor General in her audit. During their visit here, I felt that the CRA commissioner, Bob Hamilton, was downplaying the facts raised by the Auditor General in her report. He said that 13,000 calls had been listened to and that he did not really understand how the Auditor General had arrived at that figure. However, a May 2025 *La Presse* article reported that CRA employees, speaking on condition of anonymity, had pointed this out.

How do you interpret Mr. Hamilton's comments? Do you agree with the Auditor General's findings, which do not really correspond to Mr. Hamilton's description of the situation? Do you agree with what the Auditor General stated, or do you believe that the results were incorrect?

**Hon. François-Philippe Champagne:** The Auditor General's report speaks for itself. She made certain findings, and we must respect that. That's her role.

As I was saying, since the start of the year, we've continued to carry out quality control checks at the agency. We've done 100,000

of them, and we've achieved a verification rate, meaning an accurate answer rate, of 90%.

That's why I say that it depends a bit on the methodology. I'm not disputing the work done by the Auditor General. I'm just saying that, with 32 million calls, the volume is certainly quite significant. It's a matter of sampling. For example, it depends on whether we're talking about general questions. On that note, I would like to get back to what Mr. Deltell said when he asked me his questions. If we look at the methodology—

● (1640)

**Sébastien Lemire:** That's for the Conservatives.

**Hon. François-Philippe Champagne:** Yes, but I want to make it clear that we have what we call general requests and specific requests. In terms of methodology, are these specific calls? If so, they're individual cases. Are they general calls? It isn't the same methodology. We would need to see the results.

**Sébastien Lemire:** You can respond to the Conservatives when it's their turn to speak, Minister.

The CRA's call centres are run in the same way as a private company's call centres. The faster you respond to calls and the more calls you take, the better. Yet the main criterion should be to provide taxpayers with an accurate answer. The CRA is a public service that provides answers to taxpayers. When you focus more on the average time taken to answer a call than on the ability to provide an accurate answer—one of the staffing criteria—you aren't assessing the same thing.

Why is the average call time in government call centres so important? Don't you think that, in a call centre, providing an accurate answer should be the main criterion?

During their visit on December 4, Wayne Long, your secretary of state, and Jean-François Fortin, the deputy commissioner, both acknowledged that the accuracy of answers should be given greater weight in employee evaluations.

Can you tell us, after your 100-day plan, whether this criterion still gives employees more points in their evaluation?

**Hon. François-Philippe Champagne:** Depending on how you phrased your question, certainly the accuracy of the answers is key. I think that this is what we expect from CRA agents.

What steps have we taken to do this? I spoke with Ms. Serjak about this earlier today. We've redesigned certain programs, for example, for the ongoing training of our agents. Certain programs and obviously the Income Tax Act are quite complex. We have made some findings. Again, I would like to thank the Auditor General. As a result of her recommendations, we've improved our ongoing training, to ensure that—

**Sébastien Lemire:** We're just a few days away from tax season. Has this criterion in employee evaluations been changed? I'm talking about the percentages that reflect where the values lie. Has this been changed in any of the steps taken as part of your 100-day plan?

**Hon. François-Philippe Champagne:** I can tell you that it's important. If you would like a more specific answer, I'm sure that Ms. Serjak could tell you more. If not, we can provide the committee with an answer later.

**Sébastien Lemire:** Would you like to add anything, Ms. Serjak?

**Melanie Serjak (Assistant Commissioner, Assessment, Benefit, and Service Branch, Canada Revenue Agency):** Yes, certainly. Thank you.

In order to be accurate about the accuracy issue, I should say that 45% of our agents' performance ratings concern productivity, and 45% concern quality. The quality of answers encompasses a number of aspects, including—

**Sébastien Lemire:** You're generous.

**Melanie Serjak:** —accuracy, their ability to properly authenticate the individual, since this remains a critical aspect of our services, as well as their ability to provide individuals with the correct procedures and policies to follow.

Since then, we've taken on board the Auditor General's recommendations. We're in the process of improving our agents' performance program. It's a work in progress.

**Sébastien Lemire:** So, the 100 days have passed and you still haven't changed the criteria.

**Melanie Serjak:** It requires some planning. It requires some consultation with the union.

**Sébastien Lemire:** My time is up. Thank you.

**Melanie Serjak:** The improvements are under way.

**The Chair:** Thank you.

[*English*]

We now begin our second round, which will consist of five individuals for various times.

Ms. Kusie, you'll lead us off for five minutes.

**Stephanie Kusie (Calgary Midnapore, CPC):** Minister, we're voting on the BIA tonight. Your budget identified two fiscal anchors to balance operational spending by 2028-29 and maintain a declining deficit-to-GDP ratio. Do you maintain that these are still your anchors?

**Hon. François-Philippe Champagne:** Yes, I do.

**Stephanie Kusie:** I ask because your budget introduced a \$78-billion deficit and over \$140 billion in new spending, and since then, the supplementary estimates have asked for an additional \$5.4 billion. This includes \$150 million—

**Kristina Tesser Derksen:** On a point of order, we're talking about the CRA's 100-day plan during this meeting. I'm not sure why we're getting into budget discussions.

**The Chair:** As you know, I allow members wide latitude to question witnesses as they see fit. It's their time, and I allow them

to use it as they like. I'm going to allow this questioning. I see the finance minister is eager to answer these questions, so I will turn things back over to Ms. Kusie.

You have about four and a half minutes left.

**Stephanie Kusie:** Thank you, Chair.

I'd be embarrassed as well if my government was spending this much money, and I assure you it's relevant, because the more money your government spends, the more taxpayers have to pay.

As I was saying, this includes \$150 million in new operational funding for the CBC and \$1 billion for Canada Post. There is more spending still not included in either budget. There's \$12 billion for your grocery benefit, which doesn't bring down the cost of groceries, as well as \$6 billion for electric vehicle incentives.

In the PBO's analysis of the budget, he found there was just a 7.5% chance that your declining deficit-to-GDP anchor would actually be realized, and that analysis came before your government announced the billions in additional spending since the budget. Can you be honest with Canadians now and tell them exactly what the likelihood is, as a percentage, that your fiscal anchor will be met?

• (1645)

**Hon. François-Philippe Champagne:** I'm glad, first of all, that you focused on the budget. I hope you've spent a lot of time reading it, because you would find that Canada is one of the very few countries in the world.... You don't need to take my word for this. Take the word of the International Monetary Fund, which says there are only two countries in the world that have the fiscal capacity to really help their people during this particular time. It mentioned Germany and Canada. Why? It's because we both have a AAA credit rating. It said countries that invest in infrastructure, housing, productivity and innovation are going to lead the way.

You mentioned the grocery benefit. Again, I would show a bit of humility. This is helping 12 million Canadians. It may not be much for you, but I can tell you that when I look at folks in my neck of the woods in my riding and across many regions, if you look at the numbers, it's going to help a lot of families. You don't need to take it from me. Take it from Food Banks Canada and others that have said we have given a boost and a bridge—

**Stephanie Kusie:** Minister, 2.2 million Canadians have had to use a food bank as a result of your government's 11-year record on the budget. That includes the \$78-billion deficit you just presented this year.

Why did your budget not include the additional billions you've announced since you put forward your budget?

**Hon. François-Philippe Champagne:** What I was saying was that I think you should look at the groceries and essentials benefit as helping families. What we did when we looked at that—

**Stephanie Kusie:** When I go to the grocery store in my riding, Minister, I can see people filled with trepidation as they put items they had in their carts back in the aisles.

**Ron McKinnon (Coquitlam—Port Coquitlam, Lib.):** I have a point of order.

**The Chair:** Ms. Kusie, I have a point of order.

Mr. McKinnon.

**Ron McKinnon:** I would ask the member to let the minister answer when she asks a question.

**The Chair:** Mr. McKinnon, as you know, the time is sacred. While I do value responses from witnesses and do allow witnesses to finish their answers even after the time has expired—I think that's unique in this committee—members have to have their elbows up to ensure they're heard in their time as well.

[*Translation*]

Do you have a point of order, Mr. Lemire?

**Sébastien Lemire:** I would like to comment on this point of order. I think that the tone was, on the whole, respectful. We've seen much bigger outbursts in committees. I think that this comment wasn't warranted. The tone was, on the whole, respectful.

[*English*]

**The Chair:** Ms. Kusie, you have two minutes.

**Stephanie Kusie:** Thank you very much.

Did you deliberately mislead Canadians, when you made your budget announcements, by not including the billions of dollars that you have since spent?

**Hon. François-Philippe Champagne:** We presented an investment budget to Canadians, a vision to 2030.

I'm surprised by the tone and nature of your question. With regard to the 12 million Canadians, would you suggest that we should not help Canadians at a time of need, with food and groceries?

**Stephanie Kusie:** I would suggest that you could help Canadians—

**Hon. François-Philippe Champagne:** I'm just trying to understand where you're going with that.

**Stephanie Kusie:** —by spending less, by not having such an incredibly large deficit.

**Hon. François-Philippe Champagne:** Would you suggest that it's not a Canadian value to help each other in times of need?

**Stephanie Kusie:** I would suggest that it's a Canadian value to stick within your budget and to be honest about the amount of money you are going to spend.

**Hon. François-Philippe Champagne:** When you have the fiscal capacity, as the IMF said, would you suggest that a country of the G7, which has the fiscal capacity to help people who are in need—

**Stephanie Kusie:** I would suggest that the IMF is not in the grocery stores of Calgary Midnapore, seeing Canadians take groceries out of their carts and put them back in the aisles.

Minister, early on in the Prime Minister's—

**Hon. François-Philippe Champagne:** But there are people in Calgary Midnapore who will receive the benefits. I'm sure they're not going to be—

**Jean Yip (Scarborough—Agincourt, Lib.):** I have a point of order.

**The Chair:** Hold on.

Ms. Yip.

**Jean Yip:** The minister isn't able to have a chance to respond.

**The Chair:** Well, he was. If you're going to interrupt with a point of order, Ms. Yip—

**Gérard Deltell:** That point of order, Mr. Chair—

**The Chair:** I'm going to reset.

Ms. Kusie, you have one minute to go.

Minister Champagne, you will have the last word. I do turn to the witnesses for a last statement.

**Hon. François-Philippe Champagne:** I appreciate it.

**The Chair:** Brevity, though, is the key word, once the time has elapsed.

Ms. Kusie, you have the floor.

**Stephanie Kusie:** Thank you, Chair.

Minister, early on in the Prime Minister's leadership, you were proud to call yourself a partner. You said that the two of you would be “a mighty economic team”. Is doubling the deficit what you meant by a mighty economic team?

**Hon. François-Philippe Champagne:** I would say there are very few people in the world who would question the credentials of the Prime Minister as a good steward of the economy—

**Stephanie Kusie:** He made you make these decisions to double the deficit. That's what you're saying.

• (1650)

**Hon. François-Philippe Champagne:** —and it's not only me.

I want you to bring this into perspective, because the people of Calgary Midnapore are watching. I just want to understand. Thousands of people are going to receive the grocery benefit. Are you saying it's not going to help them? I'm missing that point.

**Stephanie Kusie:** I'm saying that if you reined in your spending, that's what would help them, Minister. If you focused on the things that would allow them to pay less for groceries in the first place, that's truly what would help them, Minister.

**Hon. François-Philippe Champagne:** Do you not think the structural measures—so we can grow more food, have more abattoirs in the country and have more food production and more food security—are important for Canada?

**Stephanie Kusie:** I think that's very important. I think the best way you can do that is by reducing the tax burden on them by spending less.

**Hon. François-Philippe Champagne:** So no investment, in your view.

**The Chair:** That is the time.

**Stephanie Kusie:** Thank you.

**The Chair:** Thank you very much.

Mr. Osborne, you have the floor for five minutes.

**Tom Osborne (Cape Spear, Lib.):** Thank you.

I was going to ask about CRA, but seeing as how we've gone on a different track, I am delighted to ask about this. In OGGO, I asked the Parliamentary Budget Officer if he had calculated into his analogy the fact that we are getting new trade deals, that we are breaking down interprovincial trade barriers and that we have the national defence and infrastructure plan to go with that. I asked if he had factored that into economic growth and some of the numbers he had calculated. He admitted that he had not.

I also looked at the previous parliamentary budget officer, who made comments on this budget. He said that he agreed with the direction and that it's not time for an austerity budget.

Using my previous experience, I had three budgets in Newfoundland as a finance minister. I was put in charge of finances at a time when we could not borrow. Based on some of the spending we made, we were then able to borrow again.

I have great confidence in the budget you put forward and in the track record of Prime Minister Carney. I want you to speak for a bit about how you see the projection of the trade agreements, the breaking down of trade barriers, the strategic spending—Build Canada Homes, for example—and how that will reflect on improving the economy and making life better for Canadians.

**Hon. François-Philippe Champagne:** You have a unique perspective as a former finance minister. You know nothing is easy, but you have to make choices.

I want to go back to what Ms. Kusie was saying—

**Stephanie Kusie:** It's "Mrs."

**Hon. François-Philippe Champagne:** Mrs. Kusie. I'm sorry.

What I was trying to say is that, on the one hand, we have a budget that provides a vision to 2030, with strategic investments to grow the economy, which has been applauded by a former parliamentary budget officer, by the markets, if you look at the bond markets, and by Canadians. Two-thirds of Canadians have said the plan.... They see why. We're rebuilding housing, and this is a key affordability measure. If you can have a home that you can afford, it's less a part of your disposable income.

The fact that we're investing in infrastructure is much-needed. I'll give you a sense of perspective, because I think that's helpful to everyone.

If you look at the largest infrastructure plan in the G7, many were referring to the German plan, which has 500 billion euros over 12 years. If you put that in Canadian dollars, you would be at \$800 billion over 12 years for Germany. Compare that to the Canadian plan. On a cash basis, we're at \$450 billion over five years, so we have one of the largest infrastructure plans in the G7, and I'm not even adjusting it for the size of the economy. The German economy is twice the size of Canada's.

That's why the G7 realizes and why international institutions have said that if you have the fiscal capacity and have a AAA credit rating.... There are two countries that can afford that: Germany and Canada. These two countries have decided to do smart things in infrastructure, housing, productivity innovation and, in our case, defence. You have the building blocks.

Why did we do the grocery benefit? We did it because it's part of our Canadian values, in a sense. We know families are hurting and it's a tough time, so we looked at the excess food inflation since COVID—\$782. We said we were going to give a boost for one year so that people could capture that. We're going to give them a bridge before the economic impacts of our plan are felt in the economy, because it obviously takes time.

We have the Major Projects Office and the one Canadian economy. You saw a report recently that said if we removed all the barriers between the provinces, we would add \$210 billion to the Canadian economy.

This is a work in progress. Buy Canadian and the defence industrial strategy are going to be levers to build our country. We can't control what's going on south of the border or anywhere else, but what we can do for ourselves is build the most resilient economy and have the strongest economy in the G7. By the way, we have the second-fastest growing economy in the G7.

When you look at that, I say it's a matter of choice. I respect my colleagues who were asking questions, but if you have the fiscal capacity to help people in a time of need, I think you need to do it.

We know that affordability and food are the key. You have three things. You have rent and the cost of shelter and food. Then you go to cars and car loans, and then you go to student loans. We have been trying to act on all these levers to make housing more affordable and to make sure we can help structurally as well.

My colleagues will appreciate that we talked to farmers. Farmers said to me, "It's good that you helped fund structural improvements." That's why we put in \$500 million for more abattoirs, more cold rooms and better transportation systems. They wanted us to have a national food security strategy and grow more. Canada imports about 30% of its produce. When you get to winter, it's 80% to 90%. There's a reason things spike. It's because we're subject to currency fluctuation, climate change and tariffs, so we need to grow more in Canada.

Not only did we do something for families, but we did something structurally, which will help us have more food security and be more resilient as a nation.

• (1655)

[Translation]

**The Chair:** Thank you.

Mr. Lemire, you have the floor for three and a half minutes.

**Sébastien Lemire:** Thank you, Mr. Chair.

In its latest report, the CRA stated that it recovered \$3.2 billion of the \$12.3 billion overpaid to Canadian taxpayers.

Let's talk about Export Development Canada, which used to manage the Canadian emergency business account. It's a matter of principle that the former member for Terrebonne felt strongly about, and the Supreme Court recently confirmed that this member had her election stolen. However, Export Development Canada doesn't want to release to the public the names of companies that benefited from the Canadian emergency business account. The Auditor General estimates that \$3.5 billion was paid to ineligible companies.

Why does your government refuse to treat companies on an equal footing with citizens?

**Hon. François-Philippe Champagne:** I'm trying to understand the nature of your question so that I can provide a better answer. You said—

**Sébastien Lemire:** The same amount of energy isn't expended to collect the money overpaid by the Canadian emergency business account program. Some people benefited from this program, but should never have been able to do so. In the case of citizens, we know that the CRA will take considerable steps to recover even amounts of around \$2,000.

**Hon. François-Philippe Champagne:** To my knowledge, Mr. Lemire, and I say this in all—

**Sébastien Lemire:** It's \$9 billion sitting idle and your government won't get it back.

**Hon. François-Philippe Champagne:** As you said, about \$9.6 billion has yet to be recovered. The agency is working on it. We've even added investments until 2028 to address the situation and to provide more resources. It's a diligent effort. It's a diffi-

cult job in a number of ways. However, I think that we're doing it diligently.

If you have any specific questions, I'll certainly be happy to check with the agency and to give you answers later.

**Sébastien Lemire:** Minister, the benefits delivery modernization programme, which uses Cûram software, is reportedly having problems generating T4 slips for our seniors. This information appeared in an article in La Presse.

What will the CRA do for our seniors who haven't received their T4 slips? Have you thought of a contingency plan for this? Will they be penalized for documents that they haven't received from the government? We're just a few days away from tax season, and we know that these documents haven't been sent.

**Hon. François-Philippe Champagne:** This is an important question, Mr. Lemire, especially for our seniors. Ms. Serjak told me that she could give a more detailed answer.

**Melanie Serjak:** We're in constant contact with Employment and Social Development Canada regarding this issue. We're working closely together to see whether any individuals are affected and to plan how we'll manage the issue if necessary. This is on our radar and we're working on it.

**Sébastien Lemire:** We would greatly appreciate it if you could submit the contingency plan to the committee.

Mr. Chair, I have a motion to table. It's being sent to you now:

That the committee report to the House to request that the government establish a public and independent inquiry into cost overruns on IT contracts, including Phoenix, ArriveCAN and Benefit Delivery Modernization.

These programs have been studied by this committee.

The motion has been tabled. I would be pleased to debate it now, if that's the will of the committee, and to have it adopted.

[English]

**The Chair:** Just give me one second, Minister.

• (1700)

[Translation]

Mr. Lemire, your motion doesn't concern the study that we're carrying out today. You can table the motion, but we can't debate it today.

You still have one minute to ask the minister your questions.

**Sébastien Lemire:** Okay. We consider that the notice of motion has been given. We can indeed debate the motion at the next meeting.

**The Chair:** Sure.

You have one minute.

**Sébastien Lemire:** Minister, I had a meeting in my office with people from the National Golf Course Owners Association Canada. Today, I am taking the liberty of asking you their questions.

According to subsection 18(1)(l)(i) of the Income Tax Act, “the use or maintenance of property that is a yacht, a camp, a lodge or a golf course or facility” is among the items that are not deductible from income.

Minister, why can entrepreneurs deduct tickets to a hockey game, such as a Canadiens or Maple Leafs game, from their expenses, but can't deduct green fees for a round of golf?

I'm thinking of all the golf courses in my region or yours that are owned by non-profit organizations or municipalities. A directive like this from your department could help them attract business people to the course.

**Hon. François-Philippe Champagne:** Mr. Lemire, that's a very specific question. I would be happy to review it and send you a written response. I think it deserves one. Your question is very serious. This is something that needs to be looked at in terms of the interpretation of tax law. I think you will understand that, when it comes to tax interpretation, it is only natural for the Minister of Finance to be very precise. Obviously, taxpayers hearing today's testimony would like to know the precise answer. I think the best way to do that is to provide you with a written response.

**Sébastien Lemire:** I would be grateful to you if you could.

Thank you very much.

**The Chair:** Thank you, Mr. Lemire.

[*English*]

Up next is Mr. Kuruc, and then Ms. Yip will round us out.

Mr. Kuruc, you have the floor for five minutes.

**Ned Kuruc (Hamilton East—Stoney Creek, CPC):** I'd like to say thank you to the honourable minister for coming today as a witness, and to Madam Serjak as well.

You said earlier in answering one of the questions that you want to look forward. That's the concern I have. When I questioned Secretary Long, he said that he didn't accept the report findings. What do you have to say about your colleague's disregard for the Auditor General's report?

**Hon. François-Philippe Champagne:** Just so we're clear, when you said “the report”, you were talking about the Auditor General's report.

**Ned Kuruc:** Yes, sir.

**Hon. François-Philippe Champagne:** I just wanted to be clear.

You have to thank the Auditor General for her work and accept that she draws some conclusions in the report. You would know that the agency has said that we not only look at the report, but appreciate the work, and we will implement her recommendations. We're already doing that.

**Ned Kuruc:** With all due respect, Minister, my question was on Secretary Long. He said that he didn't accept the report.

Maybe we're getting ahead of ourselves. Do you, sir, accept and agree with the Auditor General's report?

**Hon. François-Philippe Champagne:** In a sense, the report speaks for itself. What I'm saying is that we have already taken on board the recommendations in the report. We appreciate when people try to help us to improve services for Canadians.

**Ned Kuruc:** That's fair enough, but do you agree with and accept the report? Secretary Long and I went back and forth for about four minutes—

**Hon. François-Philippe Champagne:** Really?

**Ned Kuruc:** —because he was very clever in not answering my question. I hope you don't do the same to me.

He did not accept the report. That is on record, sir. I'm not sure if you were aware of that.

Before we get to him, do you accept and agree with the Auditor General's report?

**Hon. François-Philippe Champagne:** As I said, I take note of it. It's far more important that the agency—

**Ned Kuruc:** It's a yes-or-no question, sir.

**Hon. François-Philippe Champagne:** I accept that the report of the Auditor General is being actioned. Not only did we take it, but what you care about—

**Ned Kuruc:** I understand your actions. You took the report and you read the report. That's your job. I understand that part. Do you accept and agree with the report?

• (1705)

**Hon. François-Philippe Champagne:** Do I need to agree—

**Ned Kuruc:** Your secretary did not. That's on record.

**Hon. François-Philippe Champagne:** I'm saying that the report is the report, in a sense. What you want—

**Ned Kuruc:** Do you accept and agree with it? If the report is the report—

**Hon. François-Philippe Champagne:** I accept that the report is there and it's dated October 21, 2025.

We not only accepted it, but we implemented it.

**Ned Kuruc:** You do accept it.

**Hon. François-Philippe Champagne:** Yes, but we already acted on it. We took their recommendations—

**Ned Kuruc:** It's a very simple question: Do you accept and agree with the report?

**Hon. François-Philippe Champagne:** I accept that the report is here and we have acted on it.

**Ned Kuruc:** Do you agree with the report, sir?

**Hon. François-Philippe Champagne:** I'm also a lawyer, so we can go on for another four minutes.

**Ned Kuruc:** Oh, we can. I have no problem—

**Hon. François-Philippe Champagne:** Well, have fun with that. If you change the question, you may have a different answer.

**Ned Kuruc:** It's not about having fun, sir. Canadians at home want to understand that the people in charge of the CRA accept, value and agree with the Auditor General's report.

**Hon. François-Philippe Champagne:** One hundred per cent.

**Ned Kuruc:** Secretary Long did not.

**Hon. François-Philippe Champagne:** That's why we already implemented what they said.

**Ned Kuruc:** That's fair enough.

**Hon. François-Philippe Champagne:** Not only did we accept it, but we said that the recommendations are good and we're going to put them into action, because that's what Canadians care about.

**Ned Kuruc:** Okay. Your secretary doesn't have the same view you have, so there's a bit of a conflict here. Canadians want to know—members of my riding want to know—if that is going to be a conflict of interest moving forward.

You are a very high-profile minister. You will move on, but this will still be Secretary Long's portfolio. He doesn't accept the report. When you move on, we're left with Secretary Long. After this 100-day plan, is it going to go back to the way it was? Canadians want to know.

You're at odds with your own secretary, sir. You've clearly stated that today, so we want some reassurance.

**Hon. François-Philippe Champagne:** I'm not moving on anywhere. Trust me. The guys from Shawinigan, we tend to stick around.

**Ned Kuruc:** No, I mean you have a very big portfolio, and I respect that.

**Hon. François-Philippe Champagne:** I thought you were thinking that I was leaving.

**Ned Kuruc:** Absolutely not. As a minister, you have a very big portfolio. You will start to look at other things after we're done with you here.

**Hon. François-Philippe Champagne:** Sure.

**Ned Kuruc:** However, Secretary Long will be here to stay, so I have a concern. When I went back to my riding of Hamilton East—Stoney Creek, many people questioned me and said, “Wait a second. We're supposed to uphold the Auditor General's report.” I said that, yes, of course we do, but Secretary Long doesn't.

As you move on to other things in your portfolio, Secretary Long will be overseeing it, and he doesn't. What are your concerns about that?

**Hon. François-Philippe Champagne:** What you should tell your constituents.... It's not for me to tell them, but I'll tell them because they're probably watching TV tonight. I'll say that we have implemented the report. They should take confidence and comfort in the fact that not only has the report been accepted, but, as Ms. Serjak can tell you, we've already acted on it. The recommendations have already.... We say technology, improvement on calls—

**Ned Kuruc:** I'm very clear on your position, sir. You accept it. You agree with it, but Secretary Long—

**Kristina Tesser Derksen:** Mr. Chair, I have a point of order.

**The Chair:** Yes, Ms. Tesser Derksen.

**Kristina Tesser Derksen:** I think we need to be careful about putting words into the mouths of witnesses who are not here. I don't believe it's on the record that Secretary Long said, “I do not accept the report.” I don't believe those were—

**An hon. member:** Oh, oh!

**The Chair:** Okay, whoa.

First of all, that is not a point of order.

**Ned Kuruc:** You should know better.

**The Chair:** The records are available for members and the public to view. I recall the interaction Mr. Kuruc is referencing and how it ended. The last few minutes will go to the government side for any kind of cleanup you think is necessary.

Mr. Kuruc, you have time for one more question.

**Ned Kuruc:** Sir, I find it remarkable that your colleagues need to defend you—a man of your stature, portfolio and background. I don't think they need to come to your aid. You've done a phenomenal job of answering our questions so far.

If we can get past these points of order and back to answering questions, my concern—

**Hon. François-Philippe Champagne:** I agree with the first part of your statement. It's—

**The Chair:** Mr. Kuruc, you have time for one more question, so make it count.

**Ned Kuruc:** That's fair enough.

For the last question, I'm going to shift. We're going to talk about the benefits delivery modernization program, the BDM.

The original cost was \$1.6 billion. It ballooned to \$6.6 billion. I think Canadians want to know why that ballooned so much. These are billions of dollars. This was not the norm prior to 10 years ago. Now the government has taken out the word “million”, and “billion” just gets tossed around.

It's a significant amount of money. It's \$5 billion over cost. Why is that?

**Hon. François-Philippe Champagne:** Which system are you referring to? I'm sorry. I could not hear the first part of your question.

**Ned Kuruc:** I apologize. The BDM—the benefits delivery modernization system—went from \$1.6 billion to \$6.6 billion.

**Hon. François-Philippe Champagne:** You're talking about the system Mr. Lemire was asking about before.

**Ned Kuruc:** Yes, sir.

**Hon. François-Philippe Champagne:** This is a multi-year system covering a number of benefits that are to be provided. My understanding is that we have been adding a number of functionalities to better serve Canadians. The minister responsible has answered a number of questions on this in the House, and I think you were present. There have been questions and answers provided.

• (1710)

**Ned Kuruc:** Five billion dollars is a lot.

**The Chair:** Thank you very much. That is the time.

Ms. Yip, you have the floor for five minutes.

**Jean Yip:** Thank you.

Thank you, Minister, for coming here and answering all of our questions.

**Hon. François-Philippe Champagne:** It's always a pleasure.

**Jean Yip:** Do you have anything else you want to add, any responses that you weren't able to provide before?

**Hon. François-Philippe Champagne:** First of all, thank you very much for the work of the committee and the chair. I think it's very important.

The take-away for Canadians watching at home tonight is that we saw that we needed to do a course correction. I demanded, along with Secretary Long, a 100-day action plan from the agency. The agency took that very seriously. They reported back to me and the secretary on a number of occasions.

Colleagues should know that this is an agency, so there's a board and chair of the board. They looked at a number of things in order to improve services when it comes to the number of calls responded to and the time people have to wait, such as providing new self-service functions, getting more functionality and seeing how they can modernize the IT system that supports our agents.

This is what responsible government is all about. You see something that needs to be improved. You ask the experts for an action plan. You monitor the action plan. I insisted that the results be made public and transparent because the trust of taxpayers and Canadians is paramount. I said that we're going to regularly post the outcome of the work that the agency has been doing.

What I would say to Canadians watching tonight is that this is a work in progress. I'm not here saying that everything has been resolved. What I'm saying to Canadians is that we took the issue very seriously, and that all employees of the agency—all 51,000 of them—are dedicated to supporting Canadians, especially as we're entering tax season.

With the measures we have taken, the technology we have implemented and the resources we have added, we are in a better position today than we were when the Auditor General presented the report. I want Canadians to know that we have done the work, that we are going to continue to do the work and that we will implement best practices to make sure we have a best-in-class agency so they can be reassured that when they call the agency, the answer is accurate, the service is professional and we are good managers of the very precious tax dollars they send to the agency.

**Jean Yip:** How will people who speak different languages navigate some of the new tools that you've introduced online?

**Hon. François-Philippe Champagne:** I can say a few words there, and I'm sure Ms. Serjak can add to that.

This is a part of the functionalities we're adding. Different newcomers to Canada have sometimes been less familiar with some of the benefits and some of the tax rules we have. We have made a particular effort to support them so they can understand their obligations and the benefits to which they might be entitled. That includes, for example, functionality to support them in different languages in different parts of the country. We're very conscious of that. This is also part of us trying to provide the best possible services to every Canadian who interacts with the agency.

For people watching at home, we answer 32 million calls a year. I appreciate that we may not have been perfect on every call, but we are really taking measures to make sure the experience Canadians have with the agency is professional and that Canadians feel they have value for their money.

When you answer 32 million calls a year, and 300,000 during the tax period per day, you expect a high volume. That's why I'm so grateful for the men and women, like Ms. Serjak, who come to this committee and answer the questions of parliamentarians. I've met a number of them. They all want to do their very best to support Canadians, and we should, as parliamentarians, be there to support them.

**Jean Yip:** For seniors and those who may not have access to digital devices, how will they still be served? Will the automatic tax filings help?

**Hon. François-Philippe Champagne:** That's a very good question. Mr. Stevenson also raised that with me before appearing at the committee.

We need to be mindful that some Canadians may be less familiar with technology or may not have access to the Internet in remote or rural regions. Most Canadians are connected, but there are still places where it might be more difficult. We're very conscious of that.

That's why we always have an alternative. Sometimes we say "digital by default" because it speeds up.... That's why I say that people can have access 24-7, whenever they want the services, because they are digital. It's also about having an option so they can talk to an individual, for those who would prefer to do that.

When people have been locked out of their accounts, 300,000 people, you can appreciate that as a good manager and steward of public money, we want to suggest that people do that online, as they do with other devices. That way we can free up the time of our agents to support seniors and people who may need more assistance because they're less familiar with the benefits or the tax code.

• (1715)

**The Chair:** Thank you.

That is your time, Ms. Yip.

Minister, I want to thank you for coming in today, as well as your associate from the CRA. I hope the next time you're manning the lines at CRA, you'll let us know. I will use that as an excuse if my taxes are filed incorrectly after chatting with you.

I want to thank witnesses for participating in this study on the Canada Revenue Agency contact centres.

This brings us to the end of our first hour. I will suspend this meeting for about five minutes for us to get ready. I'll excuse the witnesses now.

Thank you very much again for coming.

• (1715)

(Pause)

• (1720)

**The Chair:** Welcome back.

[*Translation*]

We will now get started.

Pursuant to the order of reference of Monday, February 9, 2026, the committee is commencing consideration of Bill C-230, an act to amend the Financial Administration Act and to make consequential amendments to other acts (debt forgiveness registry).

[*English*]

I'd like to welcome our witness, the sponsor of the bill, Mr. Adam Chambers, MP for Simcoe North.

Mr. Chambers, you have the floor for an opening statement of approximately five minutes.

**Adam Chambers (Simcoe North, CPC):** Thank you very much, Mr. Chair. I appreciate the opportunity and the invitation to be with you this evening.

For those watching at home, it's a very odd experience for a member who is normally questioning witnesses to be in the witness chair, but I have a feeling that not many people will be watching. Anyway, we'll see how it goes.

I take this opportunity very seriously. When a member of Parliament has a chance to make a change to the statutes, it's a lottery system. I was very lucky to be drawn high in the lottery this time. I had a chance in the last Parliament as well—I was lucky enough—but I would say that I learned from that experience. I believed that I had a great bill then, and I still believe it was a great bill, but I didn't do as much work behind the scenes as I should have. It was a good learning experience.

With this bill, I didn't want to waste my opportunity. I think I've put forward a bill that should in principle receive widespread acknowledgement and support.

There is a growing trend where large debts that corporate taxpayers owe the treasury are being written off. We've just heard from the finance minister about the health of the finances of the nation. The good news is that I want to help. I think that if we have a better understanding of the debts that are being written off by the government, maybe we would write off fewer debts and we would be better at collecting those debts. Taxpayers would have more taxes, more revenue, in the coffers to be used to support social programs or maybe even used to cut taxes for the rest of us.

It is patently unfair that the primary tax authority, the CRA, will aggressively chase regular citizens and companies for very small amounts. As you know, if you are late on paying your taxes and you owe even nominal amounts of money in the hundreds of dollars, the interest clock starts ticking on the day you are assessed as owing that amount. The CRA will keep coming after you until you pay, but behind closed doors, hundreds of millions of dollars that corporations owe the government are being written off. For corporations that owe the government these kinds of monies and have that debt written off, I think there should be no expectation of privacy.

Effectively, these are public funds that are not being collected on behalf of Canadians. These are amounts that have been assessed and that these taxpayers owe, and for whatever reason they're being written off. The government used to disclose the largest single writeoff: just the amount, but not the name of the taxpayer. Something has changed in the last couple of years, and now the government will no longer even answer what is the single largest writeoff. That is going in the wrong direction.

When we had the opportunity to probe a previous minister of CRA and officials, I was not satisfied that they were taking this issue very seriously. That is the reason this bill is before Parliament today. I believe that taxpayers deserve more transparency, and effectively, I think that's going to help all of us in this room do a better job. We can hold people accountable for the decisions they're making, and we can help to collect the money that people owe the government and effectively owe Canadians.

With that, I would appreciate any questions from my fellow colleagues.

• (1725)

**The Chair:** Thank you, Mr. Chambers.

We're going to proceed with two rounds. The first round is for three members at six minutes each, and then we'll plan on a second round with five members for various times. We'll see how we're doing if questions persist.

To begin, Ms. Kusie, you have the floor for questions for the member for six minutes.

**Stephanie Kusie:** Thank you, Mr. Chambers, for putting forward this bill.

You've identified the issue and have found that it has cost taxpayers billions, without any transparency. You've brought forward a solution that not only will provide transparency for Canadians, but as you said—I share the same hope—will save taxpayers' dollars by making CRA think twice before giving million-dollar writeoffs to corporations.

I want to give you the opportunity to explain why you introduced this bill and why you think it's important.

**Adam Chambers:** Thank you very much for the question. I appreciate it.

Starting in about 2015, the total for writeoffs was just over \$3 billion. That number has steadily climbed. Last year, it was announced that over \$7 billion was written off.

This is an issue where I think there are a number of challenges occurring at the CRA. In many respects, I have a lot of sympathy for what the government has asked the CRA to do.

The government has asked the CRA to do a number of things that are well outside the CRA's core mandate. However, the CRA's core mandate would be ensuring that taxes owing are paid and that people are complying with the Income Tax Act.

I don't believe that enough enforcement measures have been occurring at the CRA, and this is a way to ensure that we keep the CRA focused on its primary objective, which would be collecting taxes and debts owing to government.

**Stephanie Kusie:** You spoke a lot about transparency in your opening statement, and I agree that it is crucial for the CRA to be transparent with taxpayers. However, in 2024, it was the previous Liberal CRA minister who ordered the department to go on a witch hunt for whistle-blowers who exposed millions in incorrect refunds.

Can you speak to what your bill will do for transparency at the CRA and whether you think it will create a better culture of transparency at the CRA and with senior managers there?

**Adam Chambers:** Yes, I believe that it will be a helpful addition for public discourse. I think any time any corporation has a large amount written off, this, just as a matter of public interest, ought to be disclosed.

I recognize that the government likes to say it's new, but I take issue with the fact that previous CRA ministers were not seized with this growing problem that was growing right in front of their eyes, even spending more time looking to go after whistle-blowers instead of dealing with the ultimate problems.

My belief is that there have been very serious large-scale frauds perpetrated on the Canadian public. The Canadian public has not

been made aware of the size of those frauds and the amounts of money that have been lost to the very sophisticated schemes. That's part of the reason there has been less transparency. Frankly, it's likely embarrassing that large amounts of money have continued to go out the door and that we haven't been able to stop it.

I want to look forward. This bill will help reinforce a focus on the CRA's primary, core mandate.

● (1730)

**Stephanie Kusie:** In 2018, the CRA wrote off over \$133 million in taxes owed by a single corporation. We don't know which corporation that was. It could have been written off for Brookfield, SNC-Lavalin or any one of the well-connected corporate insiders of the Liberal Party. Any of them could be possible.

Would the public registry cover that time period and publish the name of that corporation from 2018, for example, or would it only apply to the tax years that would come after Bill C-230 is adopted?

**Adam Chambers:** With the way the bill is currently drafted, that would apply in the future. It is not retrospective, although I would welcome any suggestions from committee members if they would like to go back.

I would highlight the fact that the government and the CRA have actually made a lot of tax changes that have been retroactive, collecting money from taxpayers by retroactively changing the tax code. I think retroactive transparency would also be in the public interest.

**Stephanie Kusie:** Would this registry cover all writeoffs given to a corporation in a single year, or would it just publish writeoffs where the dollar amount for a specific instance is over \$1 million? For example, let's say that a corporation receives a \$700,000 write-off in June and then in October it receives another one for \$350,000, putting the total over \$1 million. Would that company be listed on the registry for that year?

**Adam Chambers:** My understanding of the way the bill is drafted—but I would hope to seek further clarification from officials who would interpret and apply the bill—is that if a corporation in a calendar year or tax year received a writeoff or writeoffs in excess of the amount, its name and information would be published in the registry.

**Stephanie Kusie:** How did you come to the decision to make the amount \$1 million? Why not \$100,000? Why not \$5 million?

**Adam Chambers:** That's a very good question.

To be honest, I don't have all the data to make a very well-informed decision on the threshold. I am open to suggestions. I've heard people suggest that it should be much lower. I've also heard some individuals suggest that it should be higher.

I think what we should be looking at is data in order to make a decision on how many corporations would be listed. I don't think we need a list of thousands, but I also don't think we need a list of five or 10. We need to make sure it is a comprehensive list of corporations that receive this.

**Stephanie Kusie:** Thank you.

Thank you, Chair.

**The Chair:** Thank you, Mr. Chambers.

Mr. McKinnon, you have the floor for six minutes.

**Ron McKinnon:** Thank you, Mr. Chair.

Mr. Chambers, you mentioned that this bill deals with situations where large debts owed to the treasury are written off. On what basis are they written off?

Let's start with this. What's the nature of these debts, and on what basis are they written off?

**Adam Chambers:** Debts owing to the government could exist for a whole bunch of reasons. The easiest would be taxes owing. For various reasons, some corporations don't pay taxes. Sometimes it's bankruptcy. Sometimes it's fraud. Sometimes, I believe, the CRA makes a mistake on the assessment of the amount owed by a corporation.

There's a whole bunch of reasons a debt might be assessed to a corporation. That's a very good question for officials when they appear before you. They can give you a better explanation about why some of these debts are written off, but we know there's a whole number of reasons, including fraud. If someone perpetrates fraud against the CRA, that's a fraudulent activity. That individual or corporation would, in effect, owe that money back, and that creates a debt owing to the treasury.

• (1735)

**Ron McKinnon:** Who writes off these debts? Is it the CRA that does that, or is it the individual companies or some legal process other than that?

**Adam Chambers:** That's a very good question. My understanding of the general process is that those within the Canada Revenue Agency who are charged with collecting a debt make a final determination on whether they can collect the debt or not. Some debts, depending on their size—this is my understanding—require ministerial approval or ministerial discretion to decide whether those debts should continue to be pursued.

I believe in the first instance, Canada Revenue Agency agents decide whether a debt would be written off and, if needed, receive approval from the minister to write off that debt.

**Ron McKinnon:** Let me clarify. You're saying the CRA writes off these debts when it determines it can't collect them, that there's no point in trying to collect them.

**Adam Chambers:** My understanding is that they make a determination that a debt would be written off for a whole bunch of different reasons, including, potentially, them believing it's not possible to collect the debt. There might be other reasons they decide to write off the debt.

When this issue has appeared before the committee—not necessarily public accounts, although it has come up at public accounts—the lack of information and the lack of co-operation from the minister—previous ministers, not the current minister—have not been satisfactory at all. Ministers have sat in my space and have been flagged and told that there are corporations with hundreds of millions of dollars in debts owed to the public treasury that are being written off, and when they do not take that seriously, I think that's a problem.

The registry, by publishing those names and amounts, will force greater accountability on those who have made those decisions.

**Ron McKinnon:** Do we really know that there are hundreds of millions of dollars for individual companies being written off?

**Adam Chambers:** Yes, we do. Thankfully, Order Paper questions do get answered every once in a while in Parliament. For example, for the 2023-24 tax year, 10 corporations had a total of \$1.1 billion that they owed written off. That's an average of \$100 million per corporation.

There is a rumour that a few years ago, a corporation, which was noted by our colleague, had \$133 million written off. There is a rumour that there was a writeoff of multiple hundreds of millions of dollars just a couple of years ago, but the minister or the CRA is not interested in giving that information to Canadians.

**Ron McKinnon:** We don't necessarily know why they were written off, though. Is that correct?

**Adam Chambers:** That's correct. If we know the details, we might learn the why, and if we know the why, maybe we can do a better job as parliamentarians of providing better tools to the CRA to collect those debts.

I would note that fraud was perpetrated against the public in very sophisticated GST schemes. They were called carousel schemes. That fraud cost taxpayers hundreds of millions of dollars. There are legislative tools we could have provided the CRA to fix those loopholes, but I believe we weren't able to because we didn't have the information.

Since the last budget, I believe there have been some changes proposed to the Income Tax Act. That's likely a couple of years later than they otherwise would have been made if we had had greater information.

**Ron McKinnon:** How will the registry fix this? Just registering the debts wouldn't necessarily let us know why they were written off in the eventuality that they were. Maybe explain why this is going to work.

• (1740)

**Adam Chambers:** Look, sunlight is the best disinfectant. That's not my quote. I'm borrowing that from a wise person.

If we understand what is happening, then as parliamentarians, we can ask why. We can ask the minister why that is happening, whether they need more tools and how come this money is being left uncollected while we are aggressively pursuing people who can't repay their CERB loan and can't repay other debts they owe governments. They're much smaller amounts of money. It's people owing the government \$1,000 or maybe even just \$300.

You can bet they are pursued very aggressively, even to the extent that wages are garnished. We owe it to those individuals to make sure that we're pursuing these corporations with the same amount of rigour.

**The Chair:** Thank you. That is your time, I'm afraid, Mr. McKinnon.

Mr. Chambers, you'll need your earpiece for the next member.

[*Translation*]

Mr. Lemire, you have the floor for six minutes.

**Sébastien Lemire:** Yes, Mr. Chambers, you'll need your earpiece, unless your French has improved considerably.

I would like to ask you about the nature of your bill. Why did you choose to require the government to disclose amounts over \$1 million?

**Adam Chambers:** Thank you very much for the question.

[*English*]

I hope one day to answer you more fully in your native language and mother tongue.

As I said, I would benefit—we would all benefit—from some more data for setting an appropriate threshold. It appeared that \$1 million was a reasonable threshold to communicate, but we should also look at that and ask officials for more information. If it is \$1 million, how many corporations would be captured? If it were set at a different threshold, we could also get information that would be helpful to us in making a decision.

As I said, I'm open to suggestions on what the threshold should be.

[*Translation*]

**Sébastien Lemire:** So, you think Treasury Board should add to the registry the reason for which a debt is remitted, waived or written off. For example, in the case of Chrysler or General Motors, which were obviously part of the speeches on the bill, that reason would have been of paramount importance.

Explain to me the importance of justifying decisions.

[*English*]

**Adam Chambers:** In the public accounts, there is consistent terminology used from year to year: writeoffs, forgiveness, waivers and remissions. Those indicate very specific kinds of writeoffs and the reasons for the writeoffs. Having that information included in the registry would provide parliamentarians and the public with more information, which would be valuable for understanding why.

[*Translation*]

**Sébastien Lemire:** In the case of Chrysler and General Motors, after bailing out both companies, which, let's remember, are large U.S. corporations, the government wiped out \$2.6 billion in debt. This decision was mentioned in a single line in the public accounts, without explanation, without identifying the company and without justifying the loss to taxpayers.

So, your bill will make it possible to stop such situations from happening and will require the government to provide justification and, by the same token, to be more transparent.

[*English*]

**Adam Chambers:** My understanding is, yes, that's exactly what the bill would do. It would be very helpful for the public and in the public interest to have amounts that are easy to find known and quantifiable, and the reason for them.

[*Translation*]

**Sébastien Lemire:** What is your response to those who say that your bill could violate the protection of personal information, confidentiality or trade secrets?

Let's take the fictional example of a good worker who has his own name in the title of his business. It could be the Adam Chambers Garage or the Sébastien Lemire Garage, it doesn't matter. To meet the requirements, the name of the company would be made public, but in doing so, personal information would be made public.

Could this be considered a violation of privacy?

[*English*]

**Adam Chambers:** I would appreciate the advice of privacy experts on this question; however, I would make the following assertion. I personally don't care if your name is in the corporation. If you are a corporation and you owe the government over the threshold that we as a committee set and you do not pay, that is fair game for disclosure.

I want to be very clear. This bill does not apply to individuals. This will only apply to corporations and, in the way it is currently written, trusts, but I would be willing to narrow it so that it is just corporations. Corporations should not get the same benefits under the Privacy Act on their taxes owing that an individual does.

I would take an individual's personal tax form very seriously in terms of privacy. I don't think we need to be going after individuals, but I think corporations do not deserve the same level of privacy.

• (1745)

[*Translation*]

**Sébastien Lemire:** Today, \$1 million doesn't necessarily buy you a very big garage, but it's still something to consider.

Some would say that knowing the name of a company would also make it possible to know who the shareholders are. In my opinion, if a company has had a debt of more than \$1 million forgiven, it would be in the public interest to know this information so that connections can be made, particularly between lobbyists and debt forgiveness.

Do you think it could be in the public interest to have more transparency and to know which interest groups are protecting those big corporations?

[*English*]

**Adam Chambers:** I knew there was a reason we always got along. I agree with you completely.

Yes, I think it is in the public interest, especially when we're running deficits of \$70 billion to \$80 billion. The minister was just here suggesting that finances are in great shape, but I think we can do a better job. This is, in my view, an opportunity for us as parliamentarians and the public to get greater transparency about how taxpayer dollars are being used or not collected.

[*Translation*]

**Sébastien Lemire:** Do you think that big U.S. corporations could currently be subject to debt forgiveness as a result of agreements with the federal government without taxpayers being aware of it? Are we still so disconnected, as taxpayers or parliamentarians, from government decisions?

[*English*]

**Adam Chambers:** The short answer is yes. I believe we are out of the loop. The longer answer is that I believe this bill would be a step in the right direction.

I would go further, frankly, as parliamentarians. If you have a contract with the federal government, by default that contract should be publicly available to the entire country, unless there's a reason for national security or otherwise.

This is a very narrow bill. We don't have the opportunity, as private members, to introduce very comprehensive legislation, given the limited resources we have. I tried to keep this bill very narrowly focused on egregious writeoffs and the preferences corporations get.

[*Translation*]

**Sébastien Lemire:** I say bravo to you.

Thank you.

**The Chair:** Thank you very much.

[*English*]

This is our second round.

[*Translation*]

Mr. Deltell and Mr. Kuruc, I believe you're going to share your speaking time.

You have the floor, then, between the two of you, for five minutes.

**Gérard Deltell:** Thank you very much, Mr. Chair.

I must say that I am a little intimidated to be asking my colleague Mr. Chambers questions because he is my predecessor as the revenue critic. So I feel a little intimidated by the witness before me now.

I would like to follow up on Mr. Lemire's comments regarding a transaction with a fictional garage. Obviously, we're talking about corporations, but let's take the example of a family that may have owned a garage and the founder dies. Let's say that the estate, the heirs, discover that there's a very large debt to the Canada Revenue Agency, and that the business, and therefore the estate, comes to an agreement with the agency.

I took a really extreme case, but, as Mr. Lemire so aptly put it, \$1 million is not as big as it was 10 years ago. At that point, should the family, which is not a business in itself, be required to disclose the fact that the family business had a debt?

**Adam Chambers:** Thank you very much for the question.

[*English*]

I'm also honoured to be sitting before you today.

If it's a family company and it's not set up as a corporation, it wouldn't be captured by the bill. If it is a corporation, it would be captured by the threshold. This is why I think it would be helpful to have some additional information from the Canada Revenue Agency about the number of impacted corporations that would be captured by this bill, depending on the threshold level that is set.

I don't believe we should be looking for a registry that has thousands of names on it. We should be looking for a registry that has the top multiple hundreds of corporations that have their debts waived. In my own estimation, I don't know what that number is, but when we hear that 10 corporations had \$1.1 billion written off, we should absolutely know the identities of those 10.

• (1750)

[*Translation*]

**Gérard Deltell:** Obviously, the cabinet, the government and the Minister of National Revenue are responsible for everything the Canada Revenue Agency does. Do you think that, in some cases, when we're talking about \$100 million or more, the decision should be made by the government, not the agency?

[*English*]

**Adam Chambers:** I believe the current process requires that debts over a certain size receive ministerial approval to write off, which also raises questions.

As I mentioned before, I have a great respect for the minister, who was just here before me, as well as Secretary of State Wayne Long, but I think their predecessors were not as engaged in this particular issue on this file, as evidenced by their appearances at committee when they were questioned about it.

Also, when there were multiple scandals and frauds happening at the CRA, not a lot was publicly disclosed about those circumstances. I recognize there are reasons for which the government might not want to explain how some of these frauds work in order to discourage others from doing them, but the public deserves to know a lot more about the decisions being made that affect the amount of money that's available to the government.

**The Chair:** Thank you.

Mr. Kuruc, you have about two minutes.

**Ned Kuruc:** Thank you.

I want to thank my colleague for coming today and giving us pretty detailed information about the bill. I find it a bit exciting, because it would provide us with transparency about probably the biggest abusers of tax writeoffs. Am I correct in saying that?

**Adam Chambers:** Yes, I believe so. I would hope that this information would give parliamentarians and the public more of a basis on which to make recommendations or decisions to provide the CRA with greater tools or the ability to recover debts that are written off. I think we just want to know why.

**Ned Kuruc:** As you stated already, essentially your bill would create complete transparency about some of the bigger corporations that are getting the bigger writeoffs. You mentioned something that I find very interesting. This transparency would help committees like public accounts, as well as the CRA and the Minister of Finance. With transparency, we could see where things went wrong, and we could essentially do a better job for Canadians. Is that right?

**Adam Chambers:** Yes, that's my understanding.

The GST carousel scheme was a large-scale fraud perpetrated against the government. I believe there was a legislative fix for that, but it is just a recent fix. These frauds were happening to the public five or six years ago. If we had known then the information that we will hopefully know after this bill is passed, parliamentarians could have made suggestions for legislative fixes to the government in order to stop some of these activities.

**Ned Kuruc:** Would your bill specifically target writeoffs, or would it also target the misappropriation of funds? We've seen in some Auditor General reports that the taxpayer didn't get value for their dollar. Would it reach into that, or would it just be specifically CRA writeoffs?

**Adam Chambers:** The CRA is the primary debt collector on behalf of the government. That would include other debts owing to government, so any monies that are written off, forgiven, waived or provided through a remission are within the scope of the bill. In theory, if there is a determination that a company owes the government money, and the government decides not to collect that money for whatever reason and it's over the threshold, then my understanding is it would be included.

**Ned Kuruc:** Can corporations—

**The Chair:** Mr. Kuruc, I'm afraid you are well over your time.

I'm turning now to Ms. Tesser Derksen.

You have the floor for five minutes.

**Kristina Tesser Derksen:** Thank you, Mr. Chair.

Thank you, Mr. Chambers, for coming to speak about this.

Conceptually, on principle, we can all agree that transparency in these types of situations is really important. Of course, the devil is in the details, so I'm curious to hear your thoughts about how the logistics of this would roll out and how it would affect the bureaucracy, for example.

We're talking about designing a program, maintaining it and administering it. Have you had any discussions about or put any thought into how this would be rolled out and how it would be maintained in the long term?

• (1755)

**Adam Chambers:** It's always important to consider the impacts of any legislation on administration.

My understanding is they have the public accounts. I don't think I'm allowed a prop, so I won't hold it up. The public accounts already publish a global number. There has to be a way they get to that number. They are already likely adding up a spreadsheet somewhere. Really, what you're doing is taking a portion of that spreadsheet and making it public.

I recognize that I'm oversimplifying the task here, but in theory, because the government aggregates those debts today, they're aggregating them from somewhere. In theory, this information exists, so I think it would be important to understand how many corporations would be affected by various thresholds, because that would impact the amount of work. I believe it would not be a heavy lift, if you will.

**Kristina Tesser Derksen:** Have you contemplated how this registry would be accessed? Would there potentially be, say, a user fee to access it, which might help offset the cost of the administration of it?

**Adam Chambers:** I would be open to any suggestions; however, I would offer the following. I would need to understand what the costs of implementing this are before we think about whether a user fee is appropriate. A user fee for a taxpayer to understand how their taxpayer dollars are being used is probably not something I would support, but I'm open to reasonable suggestions.

At the end of the day, if this is published in a report on the Treasury Board website, I would be open to how the government proposes to publish this information, but I think a link on a website would be appropriate.

**Kristina Tesser Derksen:** How does this compare to what other peer nations might be doing with respect to this type of registry?

**Adam Chambers:** That's a great question. I don't know if the analysts have looked into that. They did a wonderful job with their briefing note.

I will offer one comparison, not necessarily just on debts written off. During COVID, Canada's disclosure of COVID benefits was completely subpar compared to what other companies did. Australia and other countries had online searchable databases for companies that received COVID benefits. The Canadian government's website was completely and utterly difficult for any user to use. You had to click through pages after pages and copy and paste. It was very difficult for individuals to find out supports that went to corporations during COVID.

My guess would be that other countries probably provide more transparency, but I don't have a good answer for that. If it pleases the chair, I would be happy to do some research and provide that to the committee.

**Kristina Tesser Derksen:** It's always nice to know how we compare to particularly Commonwealth nations or other peer nations.

Have you had the opportunity to discuss how this bill would impact businesses with businesses, with corporations and with business leaders?

**Adam Chambers:** I'm not sure I fully understood the question. Have I chatted with other businesses about the impact?

**Kristina Tesser Derksen:** Yes. Have you consulted with the business community about problems they might see with this?

**Adam Chambers:** Not really in any formal way. I can tell you that if they're not happy about it, that makes me happy about it, because I think that taxpayers deserve to know the identities of these corporations.

**Kristina Tesser Derksen:** Can I pose a hypothetical question that I was just thinking about?

It happens quite often that corporations that might get into hot water financially just wind up. I'm picturing a scenario where a corporation might get into this type of trouble and might be granted leniency by CRA or have a debt forgiven, and then they wind up. Then they pop up somewhere else under a different corporate number, and they have the potential to do the same thing again. This might be a question outside the scope of what you're able to answer today, so it may be more of a comment to consider how that might be addressed.

Actually, it's something I see in my legal practice. You will get these fly-by-night corporations that rack up a bunch of debt, wind up, disappear and then pop up somewhere else and do the same thing, victimizing taxpayers or other customers.

● (1800)

**Adam Chambers:** That's an interesting hypothetical. I suspect that happens quite frequently, especially with sophisticated entities that are dealing with the CRA. People file fake tax returns all the time on behalf of corporations and individuals and sometimes get very large refunds, and they wind something up and then start another corporation.

The current disclosure will tell parliamentarians under which act that debt is written off, so you can tell whether it's a bankruptcy, it's an insolvency or it was done under the Financial Administration Act. That is also valuable information, because you can see that if it's just a bankruptcy, you're probably not going to get that money

back. However, if you see the same corporation or the same directors of these corporations appearing multiple times, that gives us more information.

**The Chair:** Thank you very much. That's the time.

[*Translation*]

Mr. Lemire, you have the floor for two and a half minutes.

**Sébastien Lemire:** Thank you, Mr. Chair.

Thank you, Mr. Chambers.

In 2023, there was a total of \$5 billion in writeoffs, of which \$1 billion was related to five cases.

In 2024, a Globe and Mail article showed that 11 companies were associated with \$1.25 billion in writeoffs or debt forgiveness granted by the CRA.

In the Public Accounts of Canada 2025, section 2 of volume III presents the various debts by law. Ultimately, we arrive at a total of \$7 billion in debts that have been written off or waived, without any further information.

Your bill proposes to disclose the names of these companies in a registry, which seems appropriate. However, how will giving people access to this information help the government or taxpayers? Would it also help us in our work as parliamentarians? How would it help us?

I would even like to ask you the following question: Could knowing this fuel cynicism or affect the public's trust in the government? It could lead to cynicism. Are you aware of that?

[*English*]

**Adam Chambers:** I'd like to thank you very much for that question. With the chair's indulgence, maybe he can give you some more time, because I've enjoyed your questions. Thank you very much, sir.

If parliamentarians and the public have more information, that will help us do a better job of proposing rules or changes to laws that will help the CRA collect debts. The current system, with no transparency, increases the level of cynicism people have. They may get a letter from the CRA that says they owe the tax collector \$500. They will then read an article in the Globe and Mail, as you quoted, and learn that 10 corporations had \$1.25 billion written off. I think that is contributing to cynicism.

I hope this bill will help to provide us and the public with more information to ask the question why and then what can be done.

[Translation]

**Sébastien Lemire:** In its latest report, Employment and Social Development Canada indicated that it had recovered \$2.7 billion of the \$3.2 billion overpaid to Canadian taxpayers.

Meanwhile, Export Development Canada, which managed the Canada emergency business account, did not want to disclose the names of ineligible companies that received funds. The Auditor General estimates that \$3.5 billion was paid to ineligible companies.

Do you think the government should have ensured that everyone was equal before the law? When I asked Minister Champagne this question, he didn't seem very concerned. Would your bill have ensured transparency and allowed this money to ultimately be returned to the coffers?

[English]

**Adam Chambers:** The ultimate objective would be to have money come to the treasury, but I think the bill in and of itself won't accomplish that. It will give us information to probe further.

Yes, I think everybody should be treated equally under the law. Some of the debts were not reviewed. We know the Auditor General had serious concerns, not just with the process of how the money left but with the follow-up process of collecting and assessing eligibility. The Auditor General had a significant number of challenges with that.

I hope that more transparency will help parliamentarians hold decision-makers more accountable.

• (1805)

[Translation]

**Sébastien Lemire:** Thank you very much.

**The Chair:** Thank you very much.

[English]

Next, Mr. Stevenson has the floor for five minutes, and then we'll go to Mr. Osborne to finish up today.

Mr. Stevenson, it's over to you, please.

**William Stevenson (Yellowhead, CPC):** Thank you to our witness today.

I have a couple of questions for you that are not specifically there...just to get us to the bill itself.

I'm sure you agree that Canada has a fairly complex tax system that is based on voluntary self-reporting. We heard from the minister earlier, and he wasn't specific about CRA having a motto or a purpose. Is the purpose to assist the taxpayer to get through the system so they are accurately complying on time, or is it to act as a debt collector to get funds to supply the rest of government?

**Adam Chambers:** It's probably a bit of column A and a bit of column B. I think the primary objective of CRA is to enforce the tax code that is passed by Parliament and to collect monies that it believes are owed to the government. Whether the CRA should be assisting people is a question of varying degrees, but I think that—

**William Stevenson:** They do that more on the personal side.

**Adam Chambers:** Yes.

**William Stevenson:** When you were looking into this, and you talked about it before.... There's no list out there—at least as far as I know, although maybe you can enlighten me—that says the CRA will write off debts for this reason, this reason and this reason. We know that if a corporation goes bankrupt, yes, they're not going to collect them, so they'd have to write them off, but can you tell us if you found other reasons in writing anywhere that say why they're going to write them off?

**Adam Chambers:** For the most part, no, although I would say that when the amounts are aggregated, there is a disclosure that a total amount was written off under certain acts.

**William Stevenson:** The GST or a tax or whatever....

**Adam Chambers:** There's the Bankruptcy and Insolvency Act. The Financial Administration Act is the act that has the largest amount in writeoffs. That is the level of transparency that's currently given today, but it's just an aggregate number by act that you can find. That's also an Order Paper question.

If the public has the names of these corporations and the acts under which these debts were written off, and the reason, they can probe how or why we got here.

**William Stevenson:** In my 26 years as a chartered professional accountant, I dealt with small business. I never came anywhere close to those numbers. I would be very much in favour of lowering that number down to \$100,000, if you could get that in there.

The big thing about this is transparency so we can deal with the information we have. One thing I found on a smaller basis—I'm not sure whether they're doing it on a larger basis—was that quite often CRA would tell XYZ Corporation that they hadn't filed their taxes or hadn't filed their GST return, so they were going to notionally assess them for \$100,000 or whatever it might be. That kind of wakes up the taxpayer or the corporation: “Oh, I'd better file this or they're going to chase me.” Then they file it and they owe \$100—completely different.

Is there any way you have found to say that the notional assessment where CRA was just wrong, or was trying to scare the taxpayer into filing, is part of the number they were writing off?

**Adam Chambers:** That is a great question that I also posed to officials and the minister in the last Parliament. I didn't receive a satisfactory answer.

My suspicion is that, yes, that may be part of it—that there is a wrong assessment. However, without information, it is hard to know. Without any disclosures from the government to date, it's just an estimation.

It's probably part of those amounts written off, but I don't believe it would be the full amount.

• (1810)

**William Stevenson:** That wouldn't necessarily—

**The Chair:** Just keep it very brief and without preamble. Your time is up, but I'll allow a last one.

**William Stevenson:** Okay.

It's not part your bill, though, to say where the debt is actually coming from; it's just total debt in this part of it.

**Adam Chambers:** If this bill is passed, my understanding is that it would be the name of the corporation, the act in which it is being forgiven and the total amount. In theory, it would provide the opportunity for members or other individuals to ask for more information about a specific writeoff.

**The Chair:** Thank you.

Mr. Osborne, you have the remaining five minutes, please.

**Tom Osborne:** Thank you, Mr. Chair.

Mr. Chambers, generally, I would think we're supportive of this, but I would condition that by saying that I would like to see some amendments. I think you said you are open to amendments and perhaps discussing what those amendments are.

Just for a point of clarification, and I guess to clear up any confusion, the authority to write off debts is delegated from the minister to the commissioner. That is to avoid political interference in accounting decisions, so that shouldn't be a concern for the committee.

In terms of looking at what peer nations in the G7 and OECD are doing, I think if you were to look, you would find that the thresholds there are higher than what you're proposing. Would you be open to looking at a higher threshold? The aim there is to look at corporations as opposed to smaller businesses or mom-and-pops.

**Adam Chambers:** I absolutely would be prepared to consider a different threshold if it's rooted in facts and can be substantiated by looking at what other countries do. That would be a reasonable comparison to use.

I'm open to discussions, although I would note that another colleague just said he would like to lower the amount, and the chair, who used to be the chair of the Canadian Taxpayers Federation, would appreciate a smaller amount as well, I assume. As I said, I'm open to all reasonable amendments.

**Tom Osborne:** If we look at other nations similar to Canada, the thresholds are higher. There are probably logistical reasons for that as well, just to ensure the smooth functioning of the CRA.

Would you be open to clarification on the types of corporation debts the registry would report on?

**Adam Chambers:** I'd be open to having a discussion off-line about what you're thinking.

This is the way I would envision the bill. If there is a debt owing to a government by a corporation and it exceeds the threshold we set, it should be disclosed as a matter of public interest.

**Tom Osborne:** The other thing is to ensure that personal information is not intentionally or unintentionally disclosed. Looking at the type of information disclosed, you mentioned corporations, so

you're more open to the disclosure of that information as opposed to personal information. It's the personal information that would probably be of concern, perhaps even to the Privacy Commissioner.

**Adam Chambers:** I would welcome any suggestions from the Privacy Commissioner about how to make sure that an individual's personal information is not disclosed. However, if we decide to change the threshold and set a threshold that we all agree is reasonable, and if a corporation's debt exceeds that threshold as written off, I do not believe the corporation deserves any amount of privacy as to its identity unless there is a national security reason, or some other reason that I am not contemplating currently that would rise to the same level as a national security reason.

I don't believe that corporations deserve the same amount of privacy as private individuals.

• (1815)

**Tom Osborne:** Is there a middle ground in terms of personal information, if CRA were to clearly articulate or report the writeoffs in those cases?

**Adam Chambers:** I would have to understand what circumstances they're considering to be a breach of privacy.

Let's not allow the privacy concern to prevent taxpayers from getting information that I think they deserve. It's not just taxpayers. Of course, we do the work here on behalf of all Canadians and taxpayers. It's information that I think parliamentarians should also have in order to help us do our jobs better.

**Tom Osborne:** I think the intent of the bill you're putting forward has great merit. In principle, I would support it, but I'm looking for that middle ground where you get enough support in the legislature to see your bill passed. It is commendable to bring a bill forward that gets passage in the House of Commons; it's something that somebody would be proud of, but I'm looking for that middle ground.

**The Chair:** These are your last comments, Mr. Chambers. You have the floor.

**Adam Chambers:** I brought my orange folder because I believe the NDP will be supporting the bill, too.

**Some hon. members:** Oh, oh!

**Adam Chambers:** My objective would be to have this bill passed unanimously. That would be my wish. I would not support amendments that would effectively neuter the principle or intent of the bill. I would be open to considering amendments, of course, if they truly seek to protect only the personal and private information of an individual. I'm open to that.

If a corporation uses an individual's name in the corporation and we set the threshold at \$5 million, and then that corporation has written off \$10 million, I don't believe that corporation's name should be withheld from the list. Again, I'm open to a discussion on this. We could have a discussion off-line with officials.

I will say that I have had good collaboration, co-operation and discussions with the minister's office. I take that as a sign of good faith by the minister and the government, including his staff. I appreciate their collaboration in discussions about how to make sure this bill gets a fair shake at committee and when it gets back to the House.

**The Chair:** Mr. Chambers, there's been a lot of talk about data. I've heard it from all sides.

I'll ask about one point that was not asked about, just for clarity. You have not received, for example—even without names—a grid of writeoffs between zero dollars and half a million dollars, between half a million dollars and \$1 million, and then over \$1 million. That doesn't exist in the public accounts, or it's not reported in any budget document. If it is, correct me.

I'm just curious whether that's available and whether it's something the committee might want to seek, to help define this threshold.

**Adam Chambers:** I think that information would help committee members. I believe some information has been provided

through an Order Paper question. I'm not sure how publicly available that is, although now they have a different system. I will also go back and look through my files.

This is an issue that I have been following since I was elected in 2021, when I started making inquiries to the CRA. I believe they have provided some information.

I think it would benefit the committee, frankly. If we're going to discuss the threshold or if you will consider the threshold, the committee should also have that same information in order to make a decision rooted in facts.

**The Chair:** Thank you, Mr. Chambers, for your testimony, for coming here to participate and for giving us your views on your bill, Bill C-230, an act to amend the Financial Administration Act and to make consequential amendments to other acts regarding a debt forgiveness registry.

That ends today's meeting. I will see you all after the recess. Have a good end of the week and a good recess next week.

This meeting is adjourned.

---





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>