## When it comes to CEWS, it's your money – but none of your business

PATRICK BRETHOUR TAX AND FISCAL POLICY REPORTER PUBLISHED 2 HOURS AGO FOR SUBSCRIBERS COMMENTS SHARE BOOKMARK LISTEN TO ARTICLE

Do Canadians deserve to know the details of the largest single spending program in the history of this country?

The answer is a resounding no from the federal government, illustrating the yawning gulf between the idea of public information (what data on the Canada Emergency Wage Subsidy should be) and government information (what Ottawa has ensured CEWS data will remain).

The difference between the two is clearly sketched out in a Canada Revenue Agency memo that my colleague, Globe investigative reporter Tom Cardoso, obtained as part of an access to information request, and detailed in a <u>Twitter thread</u>.

In that memo, the CRA makes two things clear – first, that it understands the benefits of giving the public access to information about CEWS: "The Government of Canada has the opportunity to provide transparency to all Canadians on how their tax dollars are being spent, and [to] encourage responsible use of government funding," agency staff wrote.

The second thing the CRA makes clear is that Ottawa will not make use of that opportunity. To date, the disclosure of CEWS information has swung between the trivial and the useless. Sure, it's kind of interesting to know that 5,940 applications worth between \$1-million and \$5-million had been approved as of Oct. 31, according to the <u>regular updates</u> issued by the CRA. But what is one supposed to glean from that nugget and other factoids, such as the total cost to date hitting \$96.42-billion?

At the other extreme is the listing of corporate recipients of CEWS. That information is all but useless, since the agency doesn't disclose what payments were made, or when they were made. Little wonder that many companies felt few compunctions about receiving payments when they went on to enjoy revenue or profit growth – or when they then paid out dividends or executive bonuses.

Given the ability to apply months after the end of a claim period, it's entirely possible that some companies knew they were bouncing back even as they got in line for Ottawa's largesse. But with the scarce detail from the federal government, that kind of behaviour is impossible to ferret out. (It also won't be caught by any audit, since it would be within the boundaries of CEWS rules, if not those of good corporate citizenship.)

It is true that the rules for CEWS, as they exist, did not allow for greater disclosure. But who writes those rules? Ottawa did flex them somewhat, to allow for publication of names. And charities are saddled with far more onerous disclosure requirements, as the CRA memo notes. That would have been a model to follow for CEWS: If you take public money, you accept public scrutiny.

And it looks like the federal government may have drawn the wrong lesson from even the limited disclosures it made for CEWS data. Following the publication of the corporate listing, The Globe (along with other media outlets) looked to cross-reference those names with other data sources. That allowed, for instance, for the publication of our <u>story on how profitable companies had tapped CEWS</u>.

There has been no disclosure of similar data about CEWS' smaller twin, the Canada Recovery Hiring Program, even though it has been up and running for more than five months. The CRA continues to insist, each time I've asked, that it will publish data about the CRHP in "coming weeks."

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It's just that time never comes. The CRA says that it needs to "to ensure that the data, and the format that it is presented in, is accurate."

However, the agency has not been more specific about what concerns it has over the accuracy of its data. And it has been some time since the program launched. In fact, the CRHP was originally slated to end this month. If it had, Canadians would not have seen a jot of information on how that program was being used until it was too late to matter.

That may still turn out to be the case – in coming weeks.

Taxing questions

Responding to last week's <u>newsletter item</u> on seniors facing clawback of their Guaranteed Income Supplement benefits after receiving pandemic income-support payments, one online reader wondered how retired Canadians could be receiving benefits meant to replace lost employment income.

The answer is pretty simple: You can still work even while receiving the GIS (and, for that matter, Old Age Security and Canada Pension Plan payments). Receiving those benefits are a function of age, not employment status.

However, employment income could reduce GIS or OAS benefits. (Such earnings won't reduce CPP payments, and depending on the worker's age, could actually <u>increase</u> them.)

Line Item

Provinces with benefits: University of Calgary economist Trevor Tombe points out in a <u>Twitter thread</u> that the federal government spent more in Alberta in 2020 than it raised in revenue in the province, the first time that has happened since the 1960s. That doesn't mean that Alberta has become a have-not province – it still has the greatest fiscal capacity among the provinces.

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