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Are SMEs getting better services with a bigger federal government?

An analysis of federal employment growth and its impact on service delivery to small businesses

October 2025

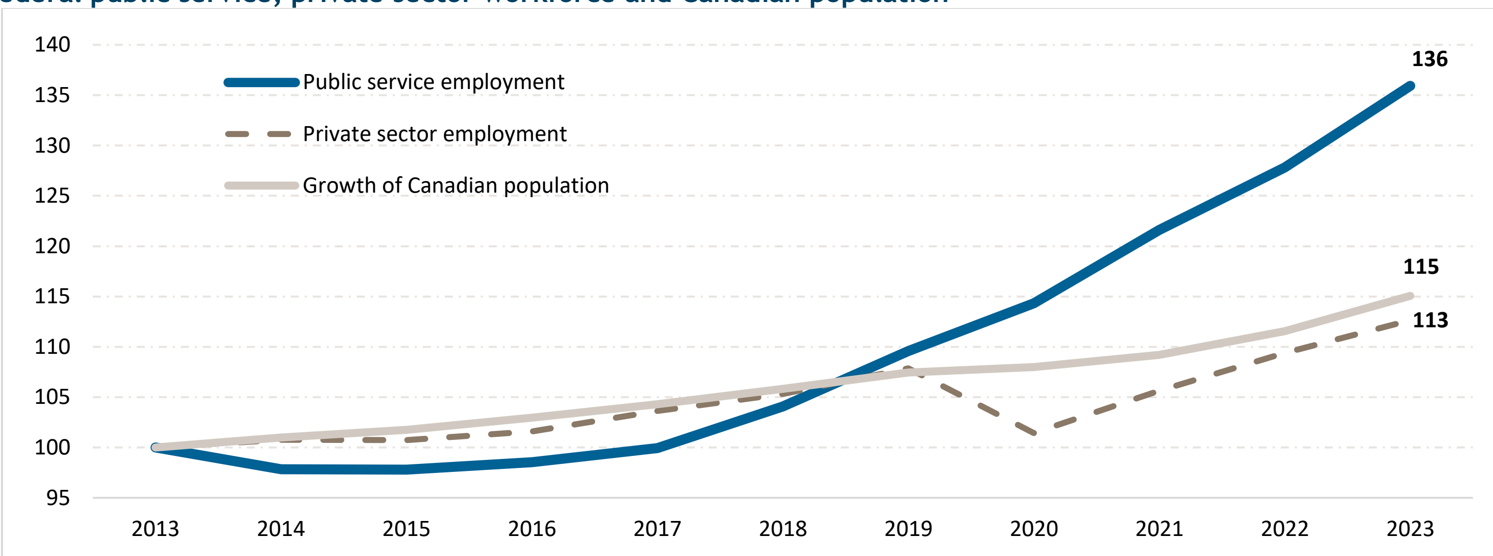
Contents

Introduction

Over the past decade, the size of the federal public service has surged, growing by 36% between 2013 and 2023. This growth far outpaces both private sector employment growth (13%) and Canada's population growth (15%) over the same period.[i] While one might expect such a significant expansion of the federal workforce to result in improved services for Canadians and for small and medium-sized enterprises (SMEs), that has not been the case. In fact, 73% of SMEs express concern about the growing size of the federal government, citing persistent challenges in accessing timely, reliable, and effective services.[ii] Despite the added resources, new hires, and investments in digital tools, the level of service has remained stagnant, or in some cases, declined. It can be very frustrating for SMEs to see government spending increase while service levels remain unchanged, especially when they feel like they are paying more than enough in taxes.

Figure 1

Growth of the federal public service, private sector workforce and Canadian population



Source: Statistics Canada. Table 14-10-0027-01 Employment by class of worker, annual (x 1,000), Statistics Canada, Table 17-10-0009-01, Population of the federal public service - Canada.ca , authors' calculations.

Given the new government's mandate to "*spend less on government operations*" while improving service delivery, the focus of this report can guide the government in some of its actions on that front. Publishing service standards is one thing, but what truly matters to Canadians, especially small business owners, is receiving timely, accurate and efficient service. The newly elected federal government appears committed to shifting toward a more cost-effective public service. In this context, the report examines the growth of a few key federal departments, assesses whether service improvements have kept pace, and shares real-world examples from SMEs that highlight the growing disconnect between public sector expansion and service delivery. At the core of this report, we seek to answer one fundamental question: ***"Are SMEs getting better services with a bigger federal government?"***

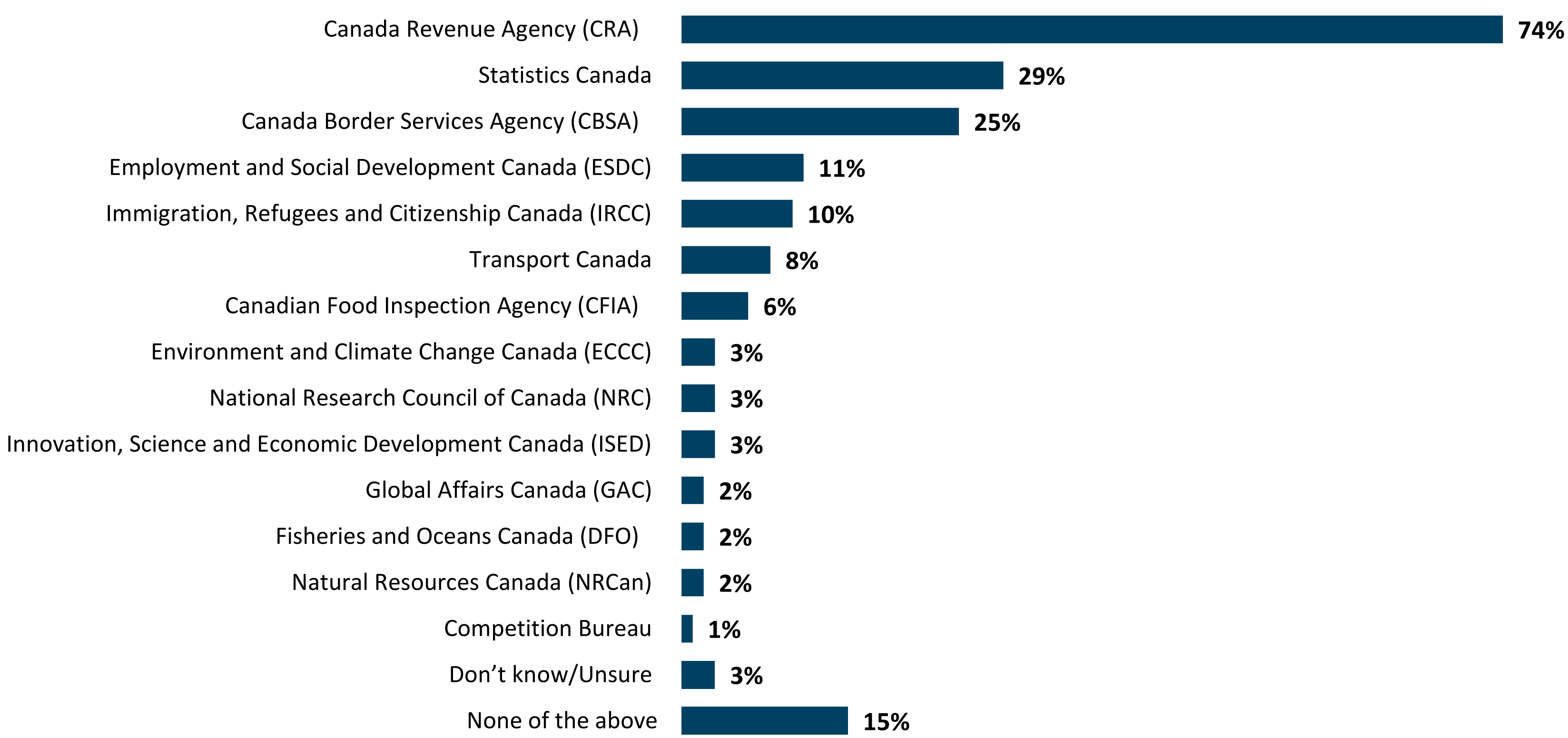
Small business & federal government interactions

When we asked SMEs about their interactions with federal departments and agencies, over 80% of small businesses have interacted with at least one. It came as no surprise that the Canada Revenue Agency (CRA) topped the list with nearly three-quarters of SMEs reporting direct engagement with the CRA (74%). Just over a quarter of SMEs said they had interacted with Statistics Canada (29%) and the Canada Border Services Agency (CBSA) (25%). Rounding out the top five were Employment and Social Development Canada (ESDC)/Service Canada at 11% and Immigration, Refugees and Citizenship Canada (IRCC) at 10% (figure 2).

While these agencies can play an important role in the day-to-day operations of many SMEs, the frequency and quality of engagement vary significantly. For the purposes of this report, we focus on the top five federal departments and agencies, with which SMEs engage with most frequently.

Figure 2

In the past 3 years, have you interacted with (call, email, in person, or through the website) any federal departments or agency(ies) for support, information, or services related to your business? (% response)



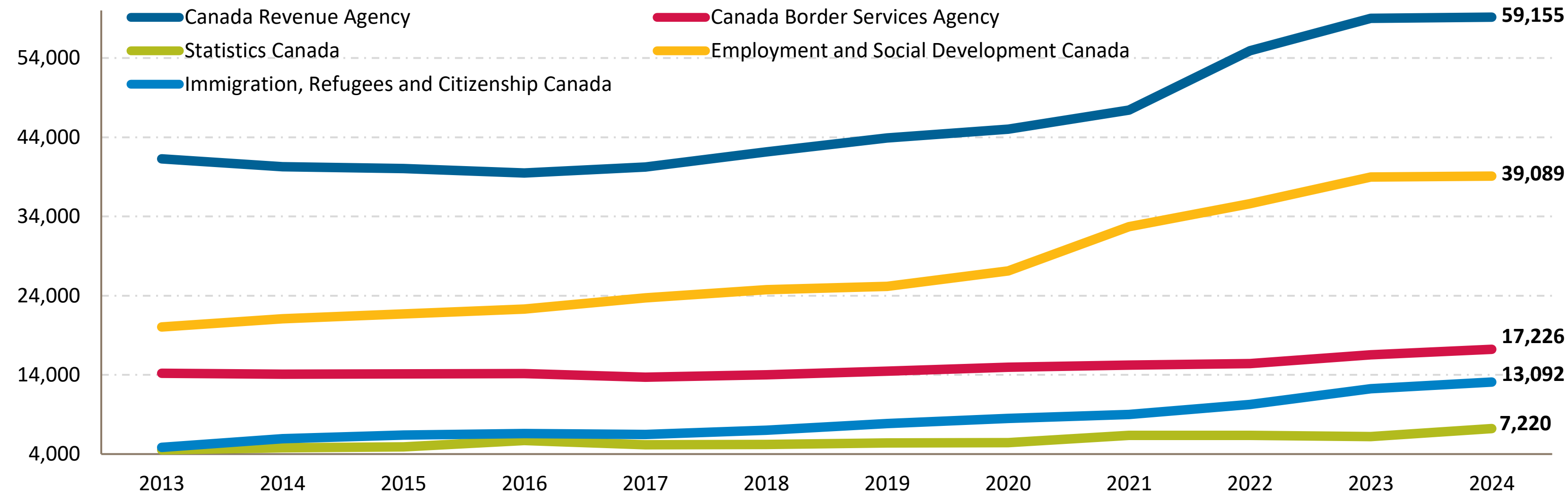
Source: CFIB, May Your Voice Survey 2025, May 6 - June 2, 2025, final results, n = 1,886.

Top 5 federal departments SMEs rely on & how they've grown

The five federal departments that SMEs interact with most frequently (CRA, Statistics Canada, CBSA, ESDC, IRCC) have all seen considerable growth in their number of employees over the past decade.

Figure 3

Tracking the growth of 5 key federal departments SMEs rely on



Source: Treasury Board of Canada, Population of the federal public service by department or agency, 2025-05-16, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

#1: Canada Revenue Agency (CRA)

SMEs' engagement with the CRA

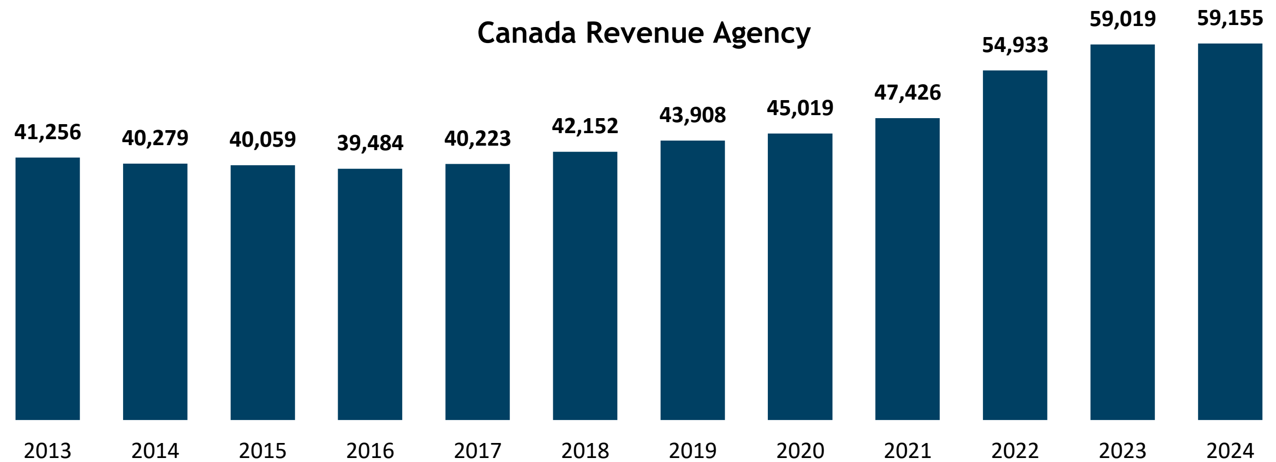
All Canadian businesses must navigate a complex set of tax rules, deductions, and programs administered by the CRA. For small business owners, this complexity often results in a significant administrative burden that takes time and resources away from running their business. As the federal department that SMEs interact with most frequently, the CRA plays a central role in shaping the small business experience with government. Whether through mail correspondence, telephone helplines, or digital platforms like My Business Account (MyBA), the quality and clarity of service provided by the CRA can also significantly influence a business's ability to understand and meet its tax obligations.

Growth of the CRA

The CRA, the largest federal department, grew by 43% between 2013 and 2024, adding nearly 18,000 new employees.[iii] While part of this expansion was driven by the need to administer COVID-19 support programs, the CRA's workforce was growing before and continued to rise even as pandemic-related programs wound down, with a jump in staffing observed between 2022 and 2024 (figure 4).

Figure 4

Population of the federal public service by department or agency



Source: Treasury Board of Canada, Population of the federal public service by department or agency, 2025-05-16, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

SMEs' insights on the CRA's services

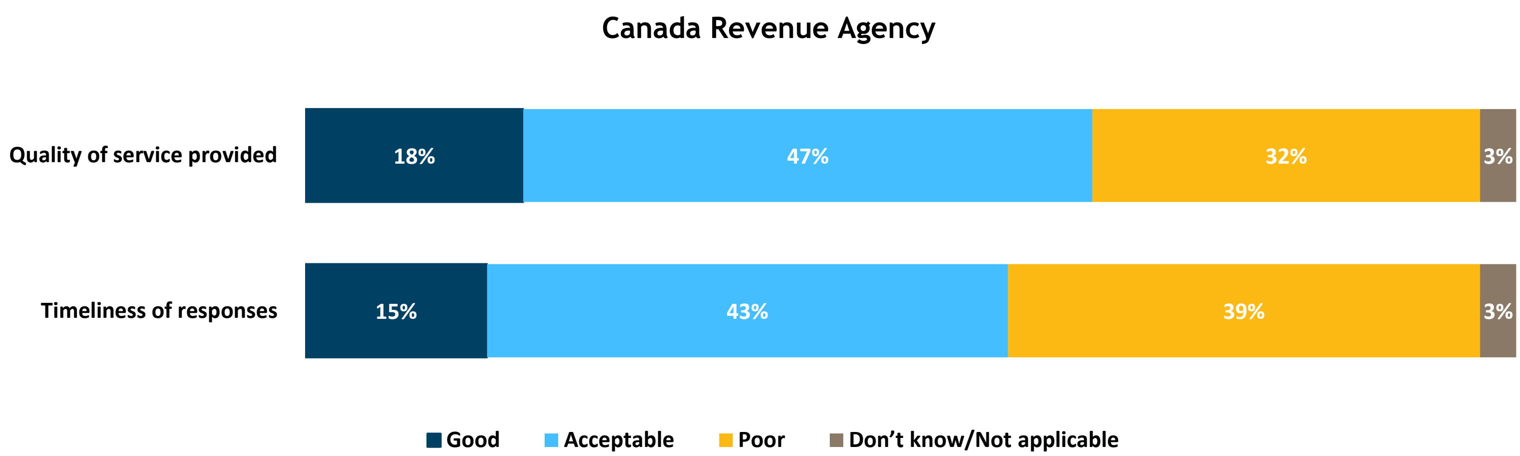
We asked those who had interacted with the CRA in the past three years to assess both the quality of service (e.g., knowledge of staff, treatment by staff, simplicity of information, availability of online services) and the timeliness of responses (e.g., accessibility of staff, promptness of response). The results point to a clear need for improvement: only 18% of SMEs felt they received good overall service, and just 15% rated the timeliness of responses as good (figure 5). When comparing the five federal departments, the CRA ranks second to last, receiving the highest number of "poor" ratings for both quality of service and timeliness of responses (Appendix A).While the CRA claims to have made efforts over the years to enhance its customer service, these findings indicate that many small businesses continue to face challenges and that there is still significant room for improvement.

As reported in Appendix B, many small businesses raised concerns about the quality and accessibility of service provided by the CRA. While some interactions, particularly those involving knowledgeable agents or the use of online tools, were described as professional and helpful, overall experiences were often inconsistent and time-consuming. Common frustrations included long wait times, repeated calls to obtain unclear answers, and conflicting information from different agents. For many members, the tax system feels unnecessarily complex, requiring time and expertise that small business owners do not have. As a result, members report a growing reliance on accountants and bookkeepers to handle even routine interactions with the CRA. Additionally, many tax practitioners express frustration with the lack of timely notice and meaningful consultation when the CRA implements changes that directly affect their work with small businesses.

Despite some positive feedback about the professionalism of agents and services like the call-back option, many businesses continue to view their interactions with the CRA as uneven and one-sided. Businesses are expected to act and pay quickly, but CRA actions, such as fixing misapplied payments, issuing refunds, or deciding on taxpayer relief, are often slow and difficult to navigate.

Figure 5

How would you rate the following departments on each of the following aspects of service?



Source: CFIB, May 2025 Your Voice Survey, May 6-June 2, 2025, final results, n = 1,374.

#2: Statistics Canada

SMEs' engagement with Statistics Canada

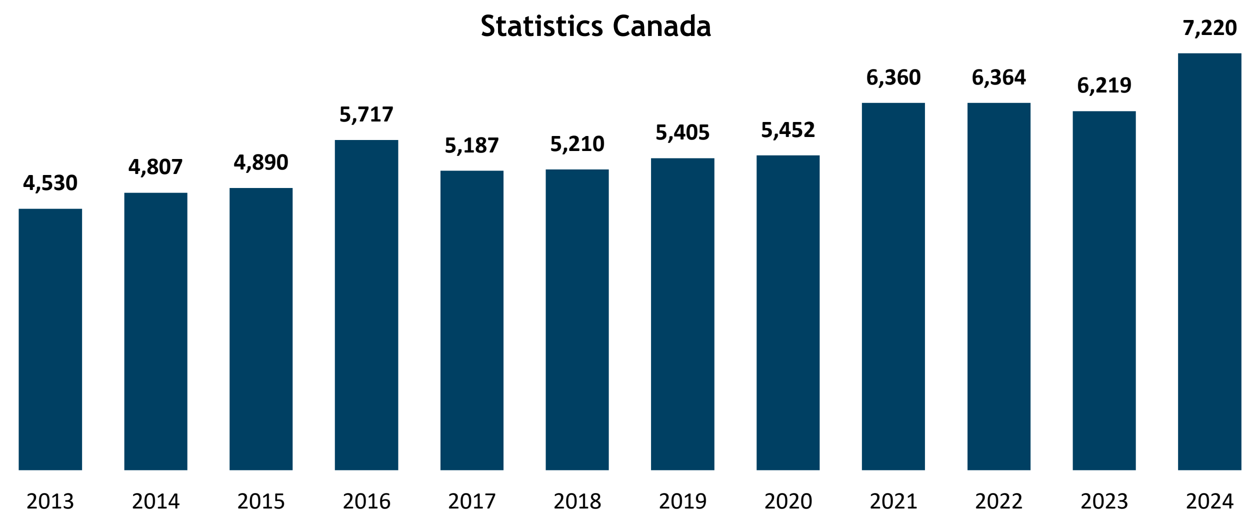
Small and medium-sized businesses typically engage with Statistics Canada through participation in mandatory business surveys, which seeks to collect economic, financial, or operational data. While business owners understand the value of data collection, many find the process burdensome and time-consuming. Surveys that require detailed financial information can be especially challenging, as they often demand time and effort to locate and verify records.

Growth of Statistics Canada

Over the past decade, Statistics Canada has also experienced growth, with its workforce expanding by approximately 59%. This increase represents the addition of over 2,600 new positions over the last decade.

Figure 6

Population of the federal public service by department or agency



Source: Treasury Board of Canada, Population of the federal public service by department or agency, 2025-05-16, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

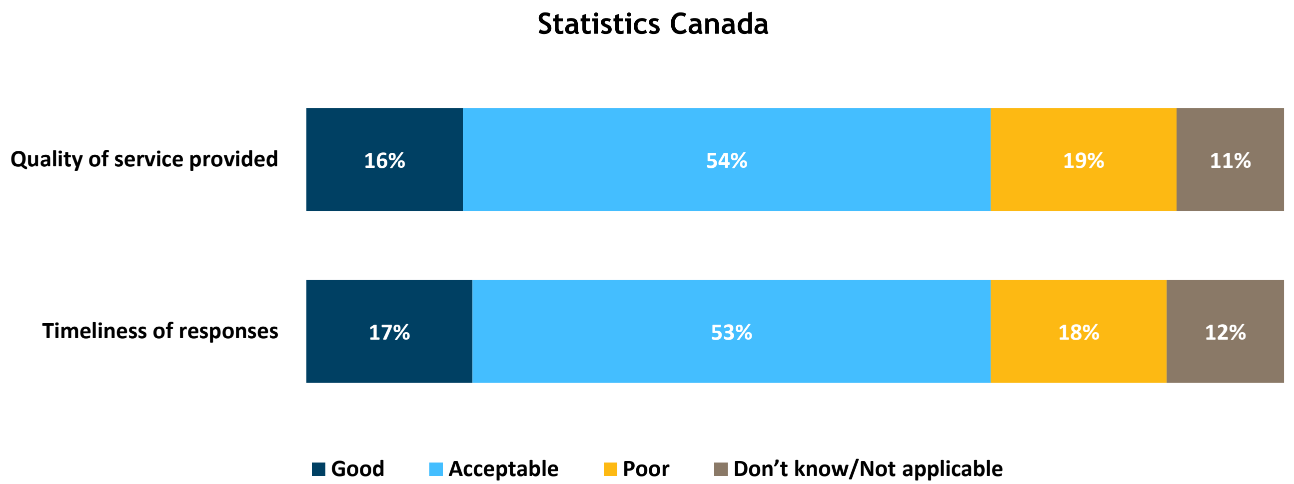
SMEs' insights on Statistics Canada's services

We asked those who interacted with Statistics Canada in the past three years to assess both the quality of service and the timeliness of responses. More than half of small business owners felt that the service and timeliness of response from Statistics Canada were acceptable, while the remaining responses were nearly evenly divided between good and poor.

As reported in Appendix B, CFIB members shared mixed experiences with Statistics Canada surveys. Short or straightforward online surveys were generally viewed as smooth with helpful customer service. However, many expressed concerns with the volume, complexity and timing of surveys, particularly those related to payroll, manufacturing, hospitality and agriculture. These often coincide with peak business periods or other government surveys (e.g., provincial or municipal), and frequently take significantly longer than estimated, contributing to survey fatigue. Mandatory participation adds to the frustration, especially for businesses receiving repeated requests. Some members expressed doubt about the reliability of Statistics Canada's data, noting issues such as incorrect business classifications and being told to "just pick one" when survey options failed to reflect how businesses actually operate. While some appreciated the option to complete surveys by phone and found agents helpful, others reported difficulties with poor communication, language barriers, and inflexible scripts. The lack of a response history was also flagged, resulting in repeated questions and unnecessary follow-ups. These mixed reviews reflect the wide range of survey types (e.g., voluntary vs. mandatory, personal vs. business, phone vs. online), and highlight the need for a clearer, more coordinated, transparent, and small business-focused approach to the agency's survey design.

Figure 7

How would you rate the following departments on each of the following aspects of service?



Source: CFIB, May 2025 Your Voice Survey, May 6-June 2, 2025, final results, n = 539.

#3: Canada Border Services Agency (CBSA)

SMEs' engagement with the CBSA

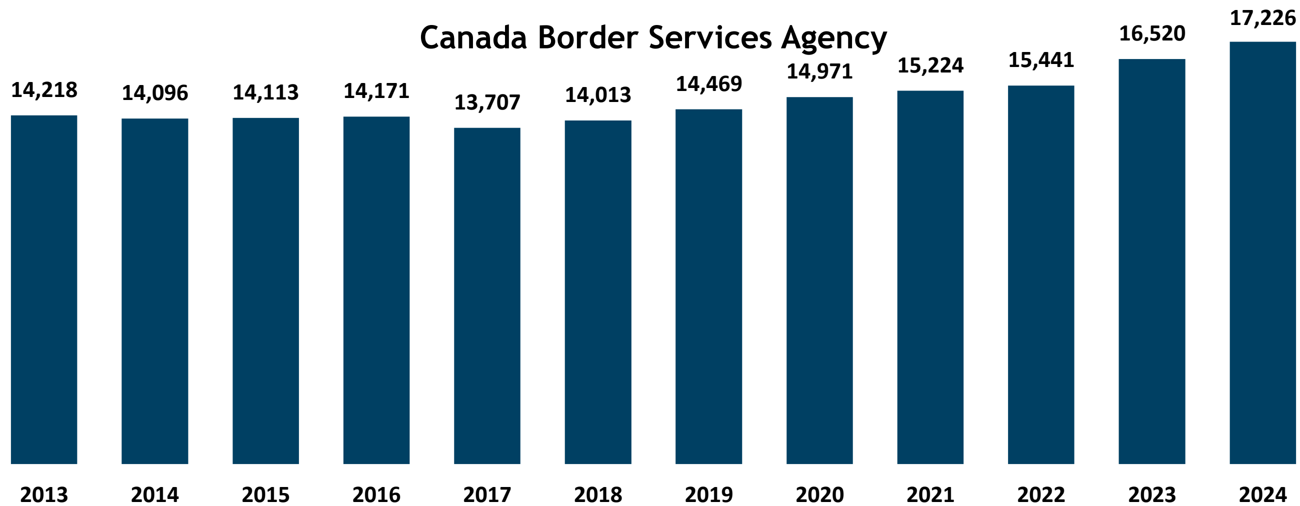
For SMEs engaged in international trade, the CBSA is the federal agency primarily responsible for managing imports and securing Canada's borders, with a more limited role in overseeing export compliance. Given that 65% of SMEs import and 31% export, many of them regularly deal with the CBSA to navigate complex trade rules, pay duties, and stay compliant.[iv] It is no surprise that the CBSA ranks as the third most relied-upon federal department among SMEs, as navigating Canada's trade system often requires significant support and guidance.

Growth of the CBSA

Like many other federal departments, the CBSA has steadily grown its workforce over the years, adding more than 3,000 employees, which represents a 21% overall increase since 2013 (figure 8).

Figure 8

Population of the federal public service by department or agency



Source: Treasury Board of Canada, Population of the federal public service by department or agency, 2025-05-16, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

SMEs' insights on the CBSA's services

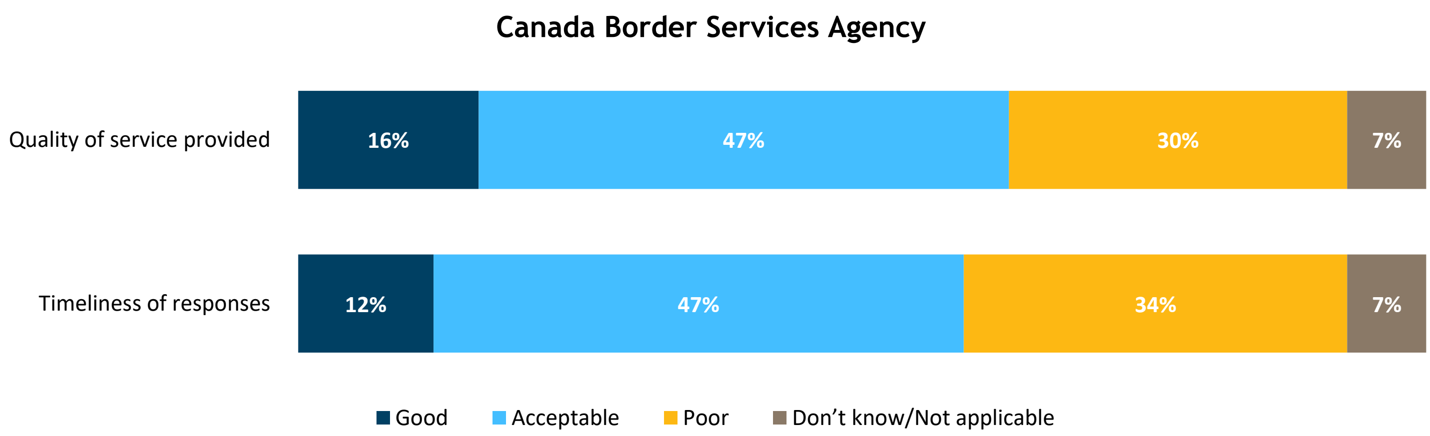
We asked those who interacted with the CBSA in the past three years, to assess both the quality of service they received and the timeliness of responses. While most SMEs rated both metrics as "acceptable," the CBSA ranked near the bottom among the five federal agencies reviewed in this report, with fewer small business owners giving it a "good" rating, highlighting that there is significant room for improvement (Appendix A). Given how heavily small businesses depend on the CBSA for trade-related guidance, an "acceptable" performance can create costly delays and uncertainty.

CFIB members provided extensive feedback on the CBSA and a snapshot of this can be found in Appendix B. While frontline border officers were generally seen as professional and helpful, most concerns were overshadowed by widespread frustration with the rollout of the CBSA Assessment and Revenue Management (CARM) portal. Although designed to modernize imports and streamline duty collection, CARM has complicated the process for small and medium-sized businesses that typically rely on customs brokers or couriers to manage their trade activities. The system fails to simplify the import process for SMEs and, beyond the normal learning curve, it shifts significant responsibilities and costs to SMEs without fully considering the realities these businesses face. Additionally, complaints about the helpline meant to assist with enrollment include long wait times, unreturned e-mails, and inconsistent guidance, further complicating the transition for SMEs. Compounded by a complex account setup process, strict financial security requirements, and issues with billing/payments, CARM has left many SME owners frustrated.

Furthermore, small business owners reported counter-tariff relief measures as being vague and unclear, with many being bounced between departments and waiting several weeks for interpretive guidance. Businesses challenging trade compliance verifications must pay duties upfront and often hire external help to navigate the process and seek reimbursement. Members reported that decision-making officers were sometimes unresponsive, uncommunicative, or lacked understanding of their goods and operations. For example, retailers described the process of submitting separate determinations for hundreds of unique items as unrealistic, inefficient, and costly.

Figure 9

How would you rate the following departments on each of the following aspects of service?



Source CFIB, May 2025 Your Voice Survey, May 6-June 2, 2025, final results, n = 453.

#4: Employment and Social Development Canada (ESDC)

SMEs' engagement with ESDC

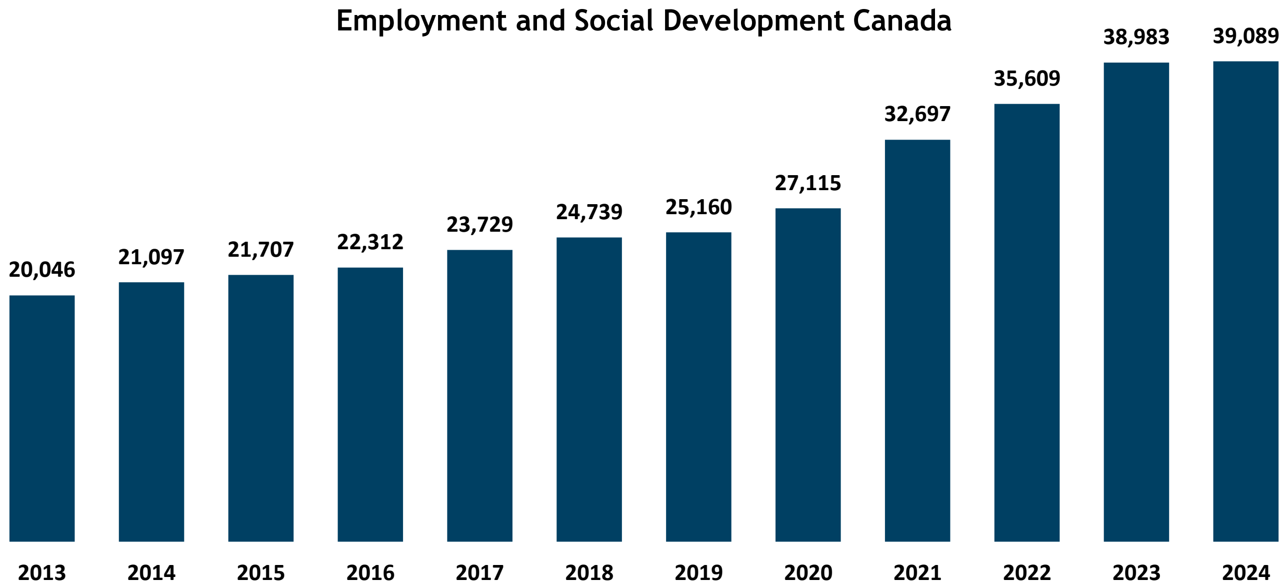
SMEs interact with ESDC in a variety of ways, most commonly through programs such as Employment Insurance (EI), issuing Records of Employment (ROEs), the Temporary Foreign Worker Program's (TFWP) Labour Market Impact Assessments (LMIAs), Canada Summer Jobs, and various employment and training initiatives. While some SMEs find certain programs relatively straightforward, others struggle with unclear requirements, inconsistent service, and delays in receiving responses or approvals. For smaller businesses without dedicated HR staff, ESDC's complex systems and processes can be particularly burdensome.

Growth of ESDC

ESDC has experienced one of the most significant workforce increases among federal departments, growing from just over 20,000 employees in 2013 to more than 39,000 in 2024. This represents a 95% increase in staff over the past decade. It is reasonable to question whether such massive growth is really needed and useful.

Figure 10

Population of the federal public service by department or agency



Source: Treasury Board of Canada, Population of the federal public service by department or agency, 2025-05-16, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

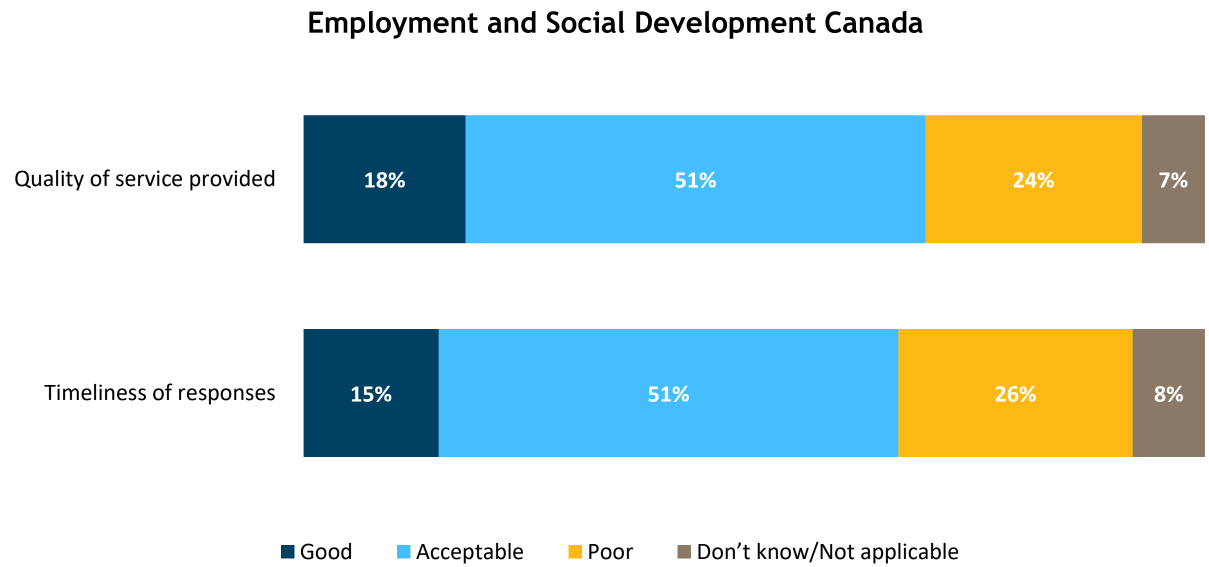
SMEs' insights on ESDC's services

We asked those who interacted with ESDC over the past three years to assess both the quality of service and the timeliness of responses. Just over half of small business owners rated these aspects as acceptable, suggesting that a larger departmental workforce has not necessarily translated into higher satisfaction levels among small business clients (figure 11).

As reported in Appendix B, small businesses shared mixed experiences with ESDC. While some found staff helpful, many described long wait times, difficulty reaching a live person, and inconsistent guidance. ROEs remain a top red tape concern, with frequent confusion about how and when to issue them, technical issues with ROE Web, and unclear avenues for support. Some employers felt intimidated by follow-ups related to employee EI claims, while others expressed frustration with how they were treated when applying for EI themselves. Businesses also reported delays with EI and the TFWP, including unexplained LMIA rejections, and frustration with the expensive $1,000 fees for a single application. Ongoing coordination issues between Service Canada and the CRA continue to create challenges, especially for those eligible to opt out of the Canada Pension Plan (CPP) due to age, and for business owners who must share documents between the two agencies to verify their own EI eligibility.

Figure 11

How would you rate the following departments on each of the following aspects of service?



Source: CFIB, May 2025 Your Voice Survey, May 6-June 2, 2025, final results, n = 208.

#5: Immigration, Refugees and Citizenship Canada (IRCC)

SMEs' engagement with IRCC

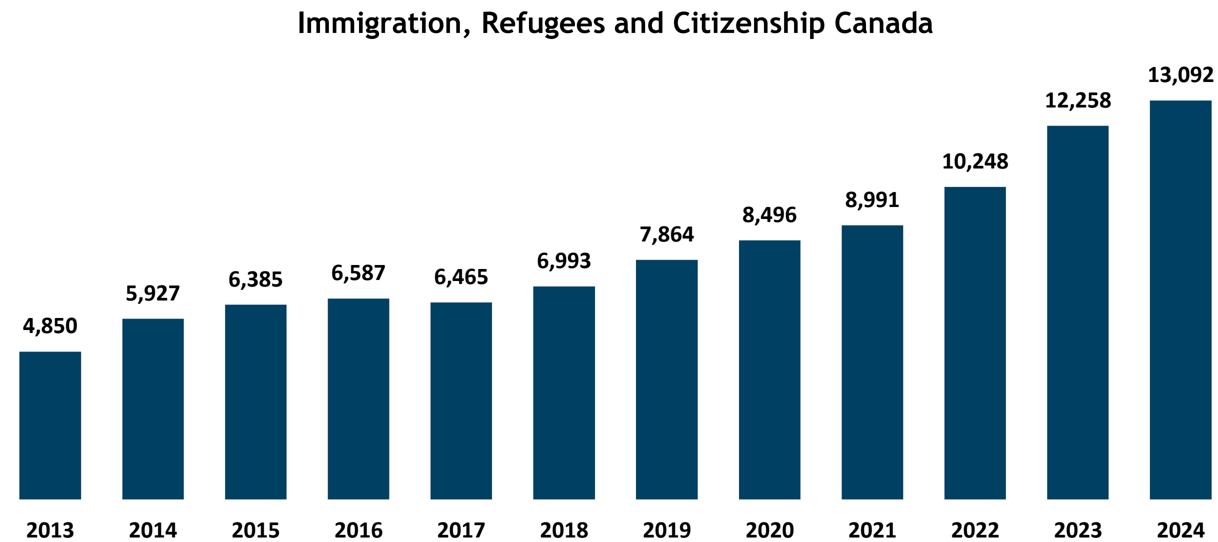
Small businesses interact with IRCC in a variety of ways, particularly when supporting employees with immigration-related needs. This includes assisting staff with work permits and permanent residency applications or undergoing an employer compliance inspection. Many SMEs also turn to IRCC for guidance on evolving immigration policies that affect their ability to attract and retain international talent. These interactions are especially important in sectors facing ongoing labour shortages, such as agriculture, hospitality, and healthcare.

Growth of IRCC

IRCC has seen one of the largest workforce expansions among federal departments, almost tripling its staff over the past decade. Since 2013, the department has added more than 8,000 new positions, which is an increase of 170% in their workforce (figure 12).

Figure 12

Population of the federal public service by department or agency



Source: Treasury Board of Canada, Population of the federal public service by department or agency, 2025-05-16, https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service-department.html

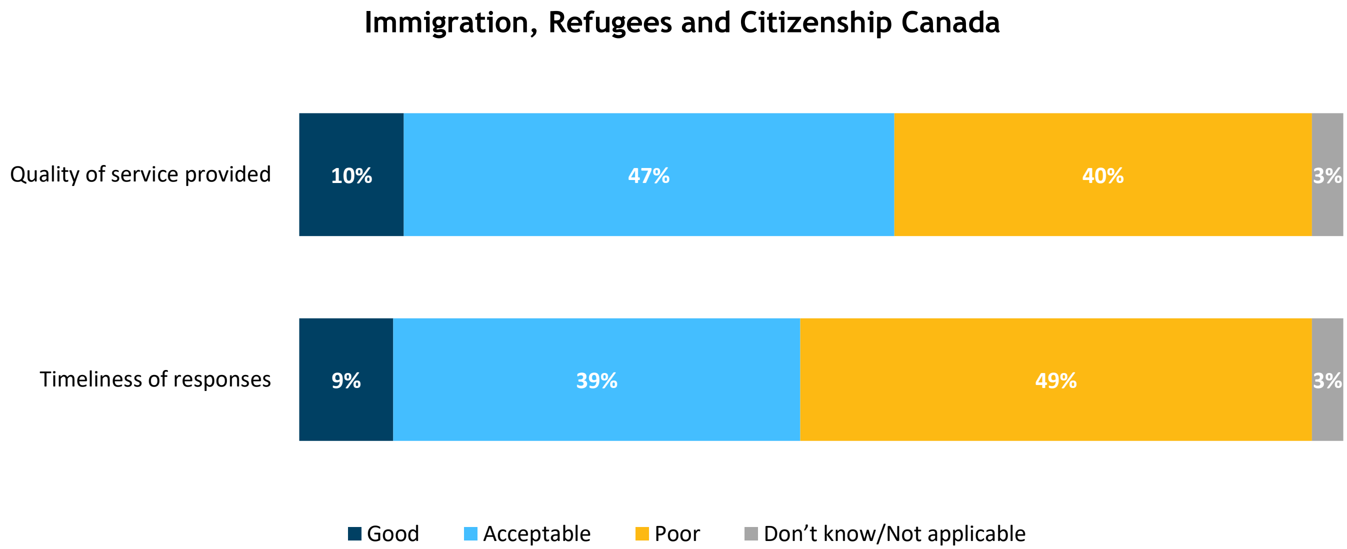
SMEs' insights on IRCC's services

We asked SMEs who interacted with IRCC in the past three years to evaluate both the quality of service and the timeliness of responses. Among the five federal departments reviewed, IRCC received the highest level of dissatisfaction from small business owners, with 40% rating the quality of service as "poor," and 49% rating timeliness as "poor," even if the workforce increased by 170% since 2013. In contrast, only 10% felt they received "good" service, and just 9% rated the timeliness of response as "good" (figure 13). These results show that a larger workforce does not necessarily translate into better service or more efficient government delivery.

As reported in Appendix B, small businesses that rely on international hires shared significant frustrations with IRCC. Members described the immigration system as complex, slow, and poorly aligned with the realities of small business. When trying to get clarification themselves, they experienced long wait times, vague or inaccurate emails, an inability to speak to someone over the phone, and rigid rules and processes that do not reflect their operational realities. Some businesses said that decisions to deny or revoke work permits created major disruptions to their operations and noted ongoing confusion over which department (Service Canada, ESDC, or IRCC) is responsible at each stage of the process. Employers also raised concerns about frequent rule changes and a lack of coordination with Provincial Nominee Programs. Many said they had to escalate issues through their Members of Parliament due to the difficulty in reaching federal immigration officials directly.

Figure 13

How would you rate the following departments on each of the following aspects of service?



Source: CFIB, May 2025 Your Voice Survey, May 6-June 2, 2025, final results, n = 181.

Service standards across federal departments

Service standards are essential because they set clear expectations for how governments should serve the public. Making these standards publicly available promotes transparency and helps hold departments accountable. When performance is tracked and shared, it becomes easier to identify gaps and drive improvements. However, many government departments set relatively low service standards compared to the private sector, and some still fail to meet them. Despite major staffing increases in federal departments, many SMEs continue to face long delays, difficult-to-use systems, and limited accountability when dealing with them.

CRA	The CRA stands out among federal government departments and agencies by offering the most transparent and accessible service standards.[v] Its service standards are easy to access, backed by several years of historical data, and offer clear insight into both its own attributed successes and areas where performance falls short. While the CRA claims to consistently meet their targets for processing tax returns, it falls short in several key areas that matter to small and medium-sized businesses (Appendix C, Table 1). For instance, performance in dispute resolution remains below target, and the results for business telephone enquiries are particularly disappointing, especially considering this is often the primary point of contact for SMEs. Despite the significant growth in the CRA's workforce, some programs and services continue to miss their own service standard targets.
Statistics Canada	Statistics Canada provides a centralized location for its service standards, which are updated on a quarterly basis. Although only two years of historical data are currently available, the information is clearly presented and easy to navigate. [vi] That said, it could improve transparency by including more details relevant to services for SMEs, such as those offered through the Office of the Ombudsman for Business. However, based on the available data for 2023 to 2025, Statistics Canada appears to be consistently meeting its own service standards (Appendix C, Table 2).
CBSA	Similar to the CRA, the CBSA publishes its service standards on a centralized and publicly accessible webpage.[vii] However, the key difference lies in how the information is presented: the CBSA's service standards are difficult to follow, not user-friendly, and require significant time to interpret. From a transparency standpoint, the CBSA should improve by developing a more concise and clear version of its service standards, one that offers a complete picture of the agency's performance without placing the burden on the public to compile and analyze the data themselves. When examining some of the key services offered to SMEs, many of them continue to fall short (Appendix C, Table 3). Despite increases in CBSA staffing, the agency has repeatedly failed to meet several of its own performance targets. Further, timelines of up to 365 days to receive decisions on tariff classification, origin of goods, or value for duty are simply unreasonable—especially in today's trade environment, where businesses face constant uncertainty around tariff codes.
ESDC	In contrast, ESDC does not appear to have a centralized location for all historical service standards. As of mid-July, the 2023-2024 service standards were newly added to its website. Prior to that, only the 2022–2023 data was available, and it now appears to have been removed from public access. [viii] Furthermore, many service standards for programs and key points of contact often used by SMEs, such as the Employer Contact Centre, do not appear to be available or reported on at all. Based on the publicly available data, most service standards appear to be consistently met, according to their evaluation (Appendix C, Table 4).
IRCC	Similar to the issues observed with ESDC, IRCC does not provide a centralized source for historical service standards, offering only the service standards for the 2023-2024 fiscal year (Appendix C, Table 5). While this information is well presented and user-friendly, several key programs and services appear to be missing. More critically, IRCC consistently falls short of its own "Client Support Centre" targets, leaving businesses and their foreign workers without timely updates on essential processes like work permit approvals. For small and medium-sized businesses, dependable and responsive client support is vital, and this is where IRCC must significantly improve.

Conclusion: Are SMEs getting better services with a bigger federal government?

Canadians and small businesses are already paying their fair share in taxes. When the government expands the public sector, but fails to deliver better services, it only deepens taxpayer frustration and skepticism about where their money is going. Despite significant growth in the size of the public sector, it appears that the customer service experience often falls short of expectations. **So, has the growth of the public sector translated into better services and programs? Based on our members' experiences, it seems that any potential benefits that a larger government could offer simply are not being felt by the entrepreneurs who drive our economy.**

In the 2025 mandate letter to all federal ministers, Prime Minister Carney called for the use of artificial intelligence "at scale" to improve government operations. Other recent federal government developments include the launch of a new regulatory review, the creation of a federal Red Tape Reduction Office, and Finance Minister François-Philippe Champagne asking Cabinet Ministers to submit "ambitious savings proposals" as part of a broader effort to rein in public spending. These developments are welcome steps forward to reduce the size and costs of the bureaucracy. However, the government should be evaluated not by its words, but by its actions and results.

Despite a historic increase in federal government staffing, SMEs most often rated the level of service they received as merely "acceptable." For a public service that has grown by 36% between 2013 and 2023, far outpacing private sector employment growth (13%) and population growth (15%), an "acceptable" level of service simply is not good enough. SMEs across all sectors and regions of the country deserve better. **CFIB puts forward the following recommendations for the federal government:**

1. **Take a strategic approach to workforce reduction**

Reducing the size of the public sector workforce can contribute to balancing the federal budget. Workforce reduction efforts should be guided by service demand, performance outcomes, and operational priorities, not just tenure or job classification. Attrition and ending employees on contract can also be ways to reduce the workforce. Actions must be guided by a vision about the future of government and the kind of services it should provide.

2. **Create transparent and ambitious service standards across all departments**

Modernization efforts must be tied to clear, transparent service standards, including departments that directly serve small businesses, such as the CRA, ESDC, and the CBSA. Service quality should improve, not decline, as processes become more digital or automated. Service standards for all federal departments should be published in a centralized location that is easy to access, clearly presented, and written in plain language so the public can easily understand. Historical performance data from previous years should also be readily available to ensure transparency and accountability.

The federal government should also adopt more ambitious service standards across departments. To ensure these standards are meaningful, departments must be held accountable for meeting them. Where persistent underperformance occurs, appropriate consequences or performance-based incentives should be introduced to drive improvement.

3. **Implement hiring limits based on population or GDP**

The government must introduce hiring limits tied to population growth or GDP. This approach would help align public sector expansion with the country's economic capacity and demographic trends, promoting fiscal responsibility and better resource allocation across departments.

4. **Speed up regulatory reforms**

Streamlining licensing, permitting, and reporting requirements would reduce administrative costs, speed up key processes, and allow entrepreneurs to focus on innovation and growth, ultimately boosting Canada's economic competitiveness. To do so, government must implement constraints on regulators by updating the "one-for-one" rule to a "two-for-one" rule that applies to all regulations, legislation and policies. The newly established Red Tape Reduction Office must consult directly with small business owners and stakeholders to identify outdated, duplicative, or overly complex rules. The Red Tape Reduction Office should also keep track of the number of regulatory requirements being imposed on Canadian businesses on an annual basis by department to keep track of progress.

5. **Leverage technology to improve customer services**

Artificial Intelligence (AI) has real potential to help build a more effective and modern public service. However, digital tools must be user-friendly, tested with real small business users, supported by clear guidance, training, and be accessible to small business owners. Poorly designed platforms that overlook the day-to-day realities of running a business can create more problems than they solve. For example, the Canada Border Services Agency's CARM platform and its Release Prior to Payment program have posed significant challenges for small businesses, highlighting the need for thoughtful implementation. Digital tools should also be leveraged to streamline how information is shared on government websites. For example, AI-driven solutions can simplify complex content, enhance clarity, and help users pinpoint the information they need more quickly. While technology can streamline routine processes, some businesses may still need access to live, knowledgeable agents, especially for complex issues or for those located in rural/remote areas with less reliable internet connections.

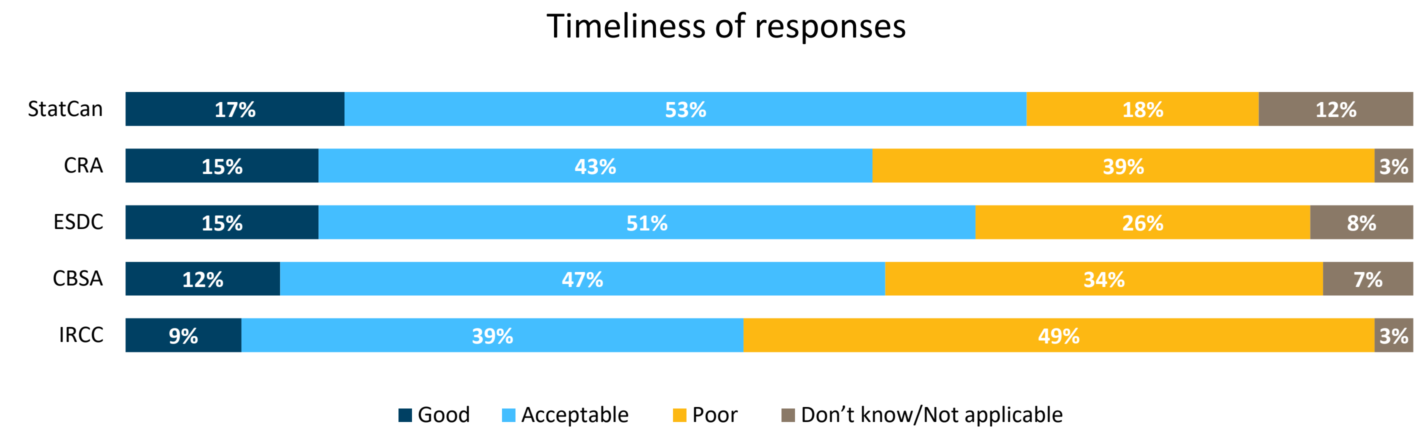
6. **Commit to fiscal prudence to limit the growth of the bureaucracy**

In a recent blog post on our website, CFIB shared a series of recommendations aimed at laying the groundwork for a more responsible approach to government spending, which included the following:

- Avoid introducing new social programs or expanding existing ones (e.g., dental care, pharmacare) that would end up expanding the size of the public service.
- Commit to a fiscal anchor that will reduce the deficit and debt.
- Implement legislated spending limits for the government outside of a global crisis.
- Implement a clear path to balancing the budget with specific indicators to measure progress, aimed at breaking the cycle of deficit spending.

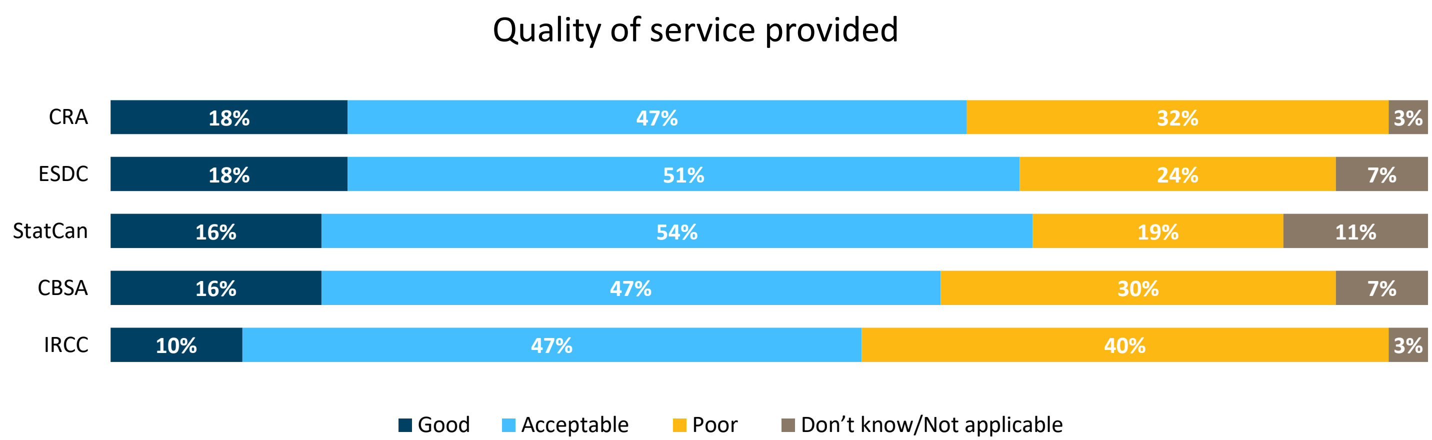
Appendix A: Top 5 federal departments — How they're serving small business

Figure 14
How would you rate the following departments on each of the following aspects of service?



Source: CFIB, May 2025 Your Voice Survey, May 6-June 2, 2025, final results, n = 1,886.

Figure 15
How would you rate the following departments on each of the following aspects of service?



Source: CFIB, May 2025 Your Voice Survey, May 6-June 2, 2025, final results, n = 1,886.

Appendix B: Top 5 federal departments — SMEs' feedback on customer service

Canada Revenue Agency

CRA is quick to penalize and is borderline non-responsive. We were fined for a payroll violation due to a technical error by our bank (TD). We did our part; TD did not process the payment. We caught the error and rectified the issue right away. We were fined over $4k. We are disputing the fine and received a response saying someone will look at our file in the next 180 days!
Geotechnical engineering - British Columbia

Calls take forever and we never really trust their answers. We go to accountants more often now. At least they are responsible for their mistakes.
Materials analysis - Alberta

We were penalized for missed payments in payroll taxes by 10% penalties, these are excessive and cost us money that we would otherwise spend on staff. Small businesses should not be excessively penalized for errors when we cannot afford dedicated staff to manage payroll.
Healthcare - Newfoundland and Labrador

Their website does not have all services available.
Wholesale distribution - New Brunswick

Accountant assists on our behalf. Thank goodness! Mail/postal strike created issues. We do not do online bill payments, so it was a hassle.
Auto service - British Columbia

A simpler system for taxes would help.
Construction - Manitoba

A random GST audit towards the end of the GST holiday was very frustrating. Felt like they had extra time on their hands to bug businesses.
Hospitality - Northwest Territories

Hard to speak to a human.
Transportation - Quebec

All different services are unable to communicate with each other, making dealing with CRA a nightmare.
Hospitality - Ontario

Near impossible to find out what you need. Have to hire an accountant to find anything out.
Food retail/Wholesale - Prince Edward Island

As an accountant, I am regularly in contact with CRA regarding clients. Occasionally, I also have to contact them about my own business. Either way, it takes hours on hold, waiting for an agent, and when you finally get someone on the phone, they don't seem to know more about the tax laws or CRA's processes than I do. In fact, they often take several minutes to 'find' an answer, and then recite exactly what is on CRA's website, which I can easily find myself (and usually have done prior to phoning them).
Accounting services - Saskatchewan

CRA lost my 2023 Corp Tax payment for 12 months. Also screwed up my 2022 payroll summary and tried to overcharge me $10,000. Took 18 months to resolve back to zero.
Construction - Ontario

Always record your conversations with CRA. It should only take 10 minutes of hold time to speak to a CRA agent, but in my experience, you can wait for literal hours on hold.
Finance - Manitoba

I called as an employer needing infomation about one taxation question, and it felt like the person I got on the phone was brand new. She couldn't understand my question and offered to transfer me to a supervisor. No one answered, so I hung up without getting my question answered. This made me lose trust in the CRA phone service for employers and I haven't called since.
Security systems - Nova Scotia

I am constantly having problems accessing My Account online. I have given up trying to access my business account. It is difficult to find specific information on the CRA website. Dealing with the CRA is frustrating.
Engineering - Saskatchewan

Statistics Canada

I find it hard to believe there's a call centre of people whose job it is to call you to tell you to fill out a survey a few minutes after you get the survey notification by email... not sure where the value is.
Funeral services – New Brunswick

I currently have to participate in monthly business payroll surveys, which is fine, but it would be nice to know how many months this will continue for. Their website only states that they 'limit the periods in which a small business must remain in the survey sample'. That's not very helpful.
Machine shop – Ontario

The most annoying department. The government has ALL the information somewhere, but we are constantly having to go over things with them. We ignore calls as long as possible because we just don't have time to waste with them. It's like they are inventing the wheel or something. What do they even do?
Garden centre retail – Manitoba

Although interactions are great, I do not understand why there seems to be a huge increase in surveys over the last 1-2 years! Who has time for this? It used to be one per year that I recall.
Architectural services – Alberta

Our business was incorrectly categorized by Stats Canada. I corrected the category and submitted the form. They did not know that the form was submitted. I was contacted to do a survey which should not apply to our correct category. I explained this to the customer service rep at Stats Canada and was contacted again to be asked again about the change in category. They did not seem to be able to understand the change in category or perhaps did not want to accept it. I don't know. (It was a category that exists on their website.)
Holding companies & corporate management – Saskatchewan

I don't have time to reply to payroll surveys. Please make this optional for businesses with less than 10 FTEs.
Publishing – Alberta

I am very frustrated with having to send in payroll information every other year. It is a waste of my time and resources.
Accounting services – Prince Edward Island

I understand that Stats Canada [is] needed to gather important information. However, the second last survey I encountered was regarding healthcare, and it was voluntary, not mandatory, but I still took my time to talk to them. They said it would be about a 10-15 min questionnaire, so I gave them my time. I ended up being on the phone for just over 30 minutes and still was not done. I simply told them I was done because of the length of time it took. They called back a few days later to see if I would finish it, as if I didn't complete the full thing. They apparently would not be able to use the stuff I had completed. I declined.
Stats Canada, if you want people to partake in voluntary surveys, make them shorter and simpler, even if it means doing more surveys [...] Do Better!
Furniture retail – Saskatchewan

Passwords and logins never seem to work. It's a pain having to fill out the same employment survey every quarter. Waste of time.
Agriculture – Manitoba

I am constantly annoyed by the surveys we are REQUIRED to complete. Some are so detailed that they take 3 staff to figure out, and the wording of the classifications they want does not help. Green power, so we include our solar products. Then they want sales, but not including batteries, as that is a separate section. I don't want to do it incorrectly, but it gets to a point that you can see how other manufacturers will just give up.
Manufacturing – British Columbia

Excessive amounts of surveys that take up time with no compensation to taxpayers. Compensation should be provided to the survey responders for the intrusion into the business day and time in order to pay their Stats Canada employee wages.
Family entertainment – British Columbia

Canada Border Services Agency

I had to wait on hold for over three hours to talk to someone at the CBSA about the new CARM account and it is not clear what small businesses who only import once a year or less have to do to keep their accounts active, and whether they have to pay to keep their portal open. It's unreasonably complicated for occasional importers.
Arts & recreation - New Brunswick

CBSA: very poor interaction. Very poor level of service.
Manufacturing – Nova Scotia

Sorry, I recall the ArriveCan App fell into this department's lap.
Professional Services - Ontario

Call the 1-800 number for help, well that can be painful. Not the right department, no one available. Took me 2 weeks to get the right area and response to get the paperwork going for a new import number. When you arrive at the border, staff just say: 'there's the computer, figure it out.' Won't help, say they don't know anything. The arrogance of the staff...
Construction - Ontario

Very difficult to get ahold of someone on the phone. Poor response time. Documents submitted as requested but not processed for months.
Construction - Ontario

Most of the time we received different answers to the same questions through different people. It is all very confusing.
Quebec - Manufacturing

We have been audited twice by CBSA and both times we were found totally compliant with their requirements. However, they treated us like we were criminals... and very slow responding.
Wholesale - Alberta

Here's an acronym that sums it up...
CARM.
Just another example of government taking a simple task and adding layers of complexity that are not necessary.
Manitoba - Construction

Been waiting on a decision regarding an HS Code for over 6 months.
Wholesale - Ontario

En 1 mois, j'ai passé 12 heures en attente pour essayer de me connecter à la GCRA.
Commerce de détail – Ontario

Another example of a make work project for the government to make it look like they have created jobs. But they have just made jobs that cost Canada, there is no economic benefit arising from these jobs. Used to get our broker to clear the shipments, then paid broker their fee including the CBSA fees (GST & duty if applicable). Now I have to pay the broker their fee. Go onto a website to pay the CBSA, but it takes at least a week (or more) for the charge to show up, so I have to log in again to apply the payment to the charge. Even if the charge is there, you pay it and then apply it in another transaction. Not a very user friendly CBSA website at all. Another example of government waste, in my opinion.
Agriculture - Manitoba

They seem to hound my business for more money. Rather annoying to deal with every 6 months.
Hospitality - Ontario

Help with setting up CARM was terrible.
Agriculture – Saskatchewan

I needed to call CBSA regarding registering as an exporter because after 5 days I received no email response (I did receive a useless auto-response after 7 days). My wait time TWICE was in excess of 6 hours. I finally gave up and drove to a CBSA office and spoke with a person to get the answer to a simple question.
Ontario - Manufacturing

Took 2 weeks to receive an email response back from CBSA. The new CARM system is a cumbersome portal. Very difficult to find statements. Customer service response times are ridiculously long
Retail - New Brunswick

HS codes are not always clear... The website needs to be improved for business owners to understand and not just for CBSA to understand.
Wholesale - Quebec

Employment and Social Development Canada

We deal with Service Canada a lot. They are comically incompetent, impossible to reach without being on hold for hours, and while a huge portion of what they do is deeply reliant on CRA, the two don't communicate at all

Accounting services - Alberta

I applied to for an LMIA and when I called for assistance to fill the form the gave me the wrong information and my application got delayed 3 months because of it.

Construction - Northwest Territories

The amount of time wasted trying to get through to an actual person to speak with is ridiculous and unacceptable. Every moment I waste costs me money. I don't get paid by the hour...nor get a pension at the end of the day. So many more government employees and yet it's near impossible to actually talk to one. Every level is inefficient.

Hospitality - Alberta

We only get calls from them regarding former employees. They are not assisting us; we are assisting them.

Agriculture - British Columbia

Needed to remove myself as the 'Primary Officer' of several former clients for ROE Web purposes. The website provides no means to do that. But it was surprisingly easy to phone Service Canada's ROE department and get an agent to perform that task.

Accounting services - Saskatchewan

I interact with them on a weekly basis, and while the staff are generally good and most are friendly, there are some who exhibit a shortness that can come across as rude. The processing of information is often frustratingly slow, which leaves students waiting an unreasonable amount of time for their EI funding while verifications and processes remain unclear and poorly communicated.

Accounting services - Alberta

Received conflicting information from different people for the exact same question.

Marketing services - Manitoba

My passport renewal should have been easy. The person I dealt with at Service Canada was unsure of what was required. Each time I have been at a Service Canada office, it has taken at least 30-45 minutes before I could speak with someone.
It was over an hour for my first attempt at getting my passport renewed with all the necessary documents.
I received a call regarding my renewal, and I was able to give them some of the missing information but now have to make another trip to the office to show documents.

Retail - Ontario

You cannot reach a live person on the phone

Food service - Nova Scotia

Took a bit of time to get to the person I needed to speak to, but once I was connected, I got the information I needed right away

Hospitality - British Columbia

We have four LMIA applications in the processing stage since June 2024 (11 months) and no answer. We are considered a 'Trusted Employer' by Service Canada with an impeccable record! Our previous applications were processed in 4-6 weeks. This year, we can't get anyone to give us a proper update on the file.

Personal care services - British Columbia

Passport renewal in rural areas almost impossible. Try to get a real person on the phone.

Entrepreneurship support - British Columbia

Immigration, Refugees and Citizenship Canada

Program inconsistency and changes are a nightmare. Rural and urban areas being treated the same is not helpful. Lack of communication between federal & provincial governments is highly frustrating and confusing.

Hospitality - Ontario

The immigration process is a nightmare and has taken us several years to find success.
It is wild to me that we have such a hard time bringing a family in from New Zealand who specializes in autobody and has a wife in healthcare.

Autobody repair – Saskatchewan

Absolutely useless. We brought three welders in from Ontario that were from South Africa. It took over six months to get our company's name on their work visa. They eventually became Canadian citizens, but one of them was delayed over six months with no explanation. IRCC is a black hole and no one is home. Utter incompetence.

Manufacturing - Saskatchewan

We can't get anyone to talk to us! We are relying on our MPs to reach the department on our behalf.

Personal services - British Columbia

Immigration was very challenging to get moved forward. Our case was delayed badly. Once we got an official case rep, things moved along better.

Manufacturing - Ontario

More support is needed to get right employees. We went through AIP. Even after the province approved it, federal immigration declined the application. There seems to be no communication between federal and provincial departments. Also, the current programs are heavily focused on accommodating restaurant staff that is not the focus of skilled immigration. We are a high-skill employer and we should get priority in people we request to sponsor.

Dental services – Newfoundland and Labrador

You CANNOT talk to a person. Everything is done by email.

Hospitality - Nova Scotia

Trying to keep an employee that we've trained and who has been working with us for over 3 years, and the government decides that he isn't fit to work with us and takes his work visa away. That impact is enormous and totally unfair. There is no consideration taken for a small business when taking away a good employee who pays taxes, leaving that employee and my business dead in the water. Very poorly implemented service.

Construction - Ontario

We have been trying to get a work permit through SINP for a current employee who has a temporary work permit, and it has been months in the process. We also tried to rehire a former employee, and it took so long for them to process our application it wound up being denied due to the hold put on SINP through the federal government.

Retail - Saskatchewan

I had to file a complaint with my MLA to get stuff done. I have also been harassed by IRCC.

Manufacturing - Nova Scotia

No predictability, given how political immigration has become. The constant drastic changes to the TFW program by the government have opened the door for 'consultants' to become required to source needed workers.

The pace of change is OK for consultants that work full time in the space but disadvantages employers who are focused on running their business(es). If employers had a stable system they could learn, depend on, and better understand, there would be fewer opportunities for abuse of the system through some third-party consultants.

Hospitality - Alberta

Hired a company to deal with them trying to keep my staff in Canada

Hospitality - Ontario

Appendix C: Performance on key service standards that are important to SMEs

Table 1

The CRA's performance on key service standards that are important to SMEs (2021-2024)[ix]

Standards	Goals	Results		
		2021-2022	2022-2023	2023-2024
Taxes				
Corporation income tax returns (T2) - digital	Issue notice of assessment within 6 weeks 95% of the time	91%	98%	97%
GST/HST returns - digital	Issue notice of assessment within 4 weeks 95% of the time	96%	97%	96%
Ruling and interpretations				
GST/HST rulings and interpretations - written enquiries	Respond to GST/HST ruling requests within 45 business days 80% of the time, upon receiving all required documents	85%	81%	76%
Advance income tax rulings	Respond to advance income tax ruling requests within 90 business days 80% of the time, upon receiving all required documents	80%	82%	93%
Dispute resolution				
Service complaints	Resolve the complaint within 30 business days 80% of the time	19%	37%	25%
Low-complexity tax objections	Resolve a low-complexity objection within 180 calendar days of receiving the objection 80% of the time	81%	62%	61%
Medium-complexity tax objections	Resolve a medium-complexity tax objection within 365 days from receiving the objection 80% of the time	72%	74%	69%
Tax relief request	Issue a decision letter on a request for relief to cancel or waive penalties and interest within 180 calendar days of receiving the request, 85% of the time	24%	39%	72%
Enquiries and account updates				
Business telephone enquiries	Respond to call within 15 minutes 65% of the time	54%	70%	49%
GST/HST rulings and interpretations - telephone enquiries	Respond to call within 2 minutes 80% of the time.	96%	90%	85%
Account update: Authorize or cancel a representative - digital	Process request to authorize or cancel a representative within 3 business days 95% of the time	98%	98%	98%

Table 2

Statistics Canada's performance on key service standards that are important to SMEs (2023-2025)[x]

Standards	Goals	Results	
		2023-2024	2024-2025
Client Services			
Acknowledge receipt for request of product and/or service within 2 business days	95%	99%	99%
Deliver products or services on a contractual basis within the mutually agreed upon time	95%	97%	98%
Contact Us - general information to data users and technical support to survey respondents			
Acknowledge receipt or answer an e-mail within 2 business days	85%	100%	100%
Communicate via email in the official language of the client's choice	100%	100%	100%
Provide telephone service during regular business hours, from 8:30 am to 4:30 pm in all Canadian time zones	85%	93%	89%

Table 3

The CBSA's performance on key service standards that are important to SMEs (2021-2024)[xi]

Standards	Goals	Results		
		2021-2022	2022-2023	2023-2024
Border information services	Answer calls within 5 minutes (300 seconds) 75% of the time	56%	65%	24%
Advance rulings and national customs rulings	Issue rulings within 120 calendar days of receiving complete information 90% of the time	90%	96%	85%
B2 commercial adjustments	Process B2 commercial adjustments within 90 calendar days of receiving a claim 90% of the time	55%	61%	59%
Duty drawback	Process an application for a drawback claim within 90 calendar days 90% of the time	84%	90%	91%
Release prior to payment privilege	Send an acknowledgment to the importer within 21 calendar days 95% of the time	95%	81%	42%
Trade appeals				
Service: Acknowledgment	Acknowledge receipt of a new request within 10 workable days 85% of the time	82%	86%	85%
Service: Tariff classification	Issue a decision within 365 workable days of receiving a request for review 70% of the time	79%	65%	47%
Service: Value for duty	Issue a decision within 65 workable days of receiving a request for review 70% of the time	69%	69%	36%
Service: Origin of goods	Issue a decision within 365 workable days of receiving a request for review 70% of the time	65%	69%	67%
Service: Casual refunds	Issue a decision within 180 workable days of receiving a request for review 70% of the time	89%	87%	87%
Service: Extension of time	Issue a decision within 90 workable days of receiving a request for review 70% of the time	87%	38%	71%

Table 4

ESDC's performance on key service standards that are important to SMEs (2022-2024)[xii]

Standards	Goals	Results	
		2022-2023	2023-2024
Canadian passport			
Passport applications made at a Service Canada Centre - Passport Services	Process passport services within 10 business days 90% of the time	96%	93%
Passport applications made by mail	Process passport applications submitted by mail within 20 business days 90% of the time	52%	87%
Passport applications made at a Service Canada Centre in person	Process passport applications made in person at a Service Canada Centre within 20 business days 90% of the time	66%	92%
General enquiries			
Access to a 1 800 O-Canada agent	Calls for general enquiries are answered by an agent within 18 seconds 80% of the time	80%	87%
Job Bank for employers			
Validation of employer files	Assess and process accurate and complete employer files within 5 business days 100% of the time	99%	100%
Job advertisement postings	Assess and process job advertisements within 2 business days	99%	100%
LMIA			
Labour Market Impact Assessment	Make a decision on eligible Labour Market Impact Assessments under the Global Talent Stream within 10 business days 80% of the time	82%	82%
Labour Market Information	Respond to client enquiries to the National Occupational Classification (NOC) and Labour Market Information (LMI) inbox within 5-10 business days 100% of the time	98%	99%

Note: The 2022-2023 data is no longer publicly available.

Table 5

IRCC's performance on key service standards that are important to SMEs (2022-2024)[xiii]

Standards	Goals	Results 2023-2024
Temporary residence application: Work permits		
Initial work permits from outside Canada: All programs (excluding International Experience Canada)	60 days 80% of the time	73%
Work permit extensions from within Canada	120 days 80% of the time	74%
International Experience Canada work permits	56 days or less 100% of the time	99%
Temporary residence application: Economic		
Issuance of opinions to employers on exemption from labour market impact assessment or work permit	14 days 80% of the time	85%
Client Support Centre		
Email enquiries	Acknowledge receipt of web form enquiries (emails) within 1 business day. Answer them within 3 business days if coordination with other offices or additional follow-up is not required. Otherwise, respond case by case 80% of the time	15%
Telephone enquiries	50% of calls requesting an agent get into the queue 80% of the time	42%
	Callers wait 30 minutes or less once in the queue 80% of the time	94%

Endnotes

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[viii] ESDC Service Performance Reporting for Fiscal Year 2023 to 2024. https://www.canada.ca/en/employment-social-development/corporate/transparency/standards.html#h2.01

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The Canadian Federation of Independent Business (CFIB) is Canada's largest association of small and medium-sized businesses with 100,000 members across every industry and region. CFIB is dedicated to increasing business owners' chances of success by driving policy change at all levels of government, providing expert advice and tools, and negotiating exclusive savings.

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