

The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Finance and National Revenue
House of Commons
Ottawa, ON K1A 0A6

October 23, 2025

Dear Minister,

As the new government prepares to table its first federal budget, I am writing on behalf of Canada's foodservice industry to make a recommendation to permanently remove the 5% GST on all food. We have actively discussed this with Members of Parliament throughout the summer and fall and are encouraged by the support we have received. Removing the 5% GST on all food will address ongoing challenges related to affordability and youth employment, while also serving as a significant opportunity to stimulate economic growth.

Founded in 1944, Restaurants Canada is a not-for-profit, member-based association representing Canada's diverse and dynamic foodservice industry. Our membership includes restaurants, bars and caterers from coast to coast to coast. Our sector is the fourth largest private employer in the country, employing 1.2 million people, including 500,000 youth, serving over 23 million customers daily, generating nearly \$124 billion in sales and \$26 billion in taxes annually.

The affordability crisis is having a significant impact on the foodservice industry and on Canadians' quality of life. Three in four Canadians (75%) are eating out less often due to the rising cost of living, and that share rises to 81% for those aged 18 to 34. A considerable impact to Canadian's quality of day-to-day life.

Last winter, the federal government took meaningful action to address affordability and to reduce food costs through a GST cut on prepared meals. The GST/HST holiday, which ran from December 15, 2024, to February 15, 2025, led to an 8.6% increase in foodservice sales, a 50% decrease in restaurant bankruptcies, and the creation of 24,000 foodservice jobs—more jobs than the previous 12 months combined.

Based on the above data, Restaurants Canada estimates that permanently removing the 5% GST on all food would lead to:

- Up to 64,300 new foodservice jobs (40% of which or more than 25,000 are likely to go to youth)
- 15,700 additional spinoff jobs in related industries
- 2,680 new restaurants
- \$5.4 billion in tax savings to consumers
- \$1.5 billion in additional tax revenue and EI savings for government

This is all without counting the wider economic benefit of a stronger foodservice industry. Every dollar in sales in our sector generates \$2.30 in the wider economy, compared to \$1.90 for all other industries in addition we are a major purchaser of Canadian agriculture making up over 50% of the Canadian Agriculture purchases.

The tax holiday has reignited the question of fairness: why is food taxed based on where it's prepared? Grocery food is largely exempt, but restaurant meals remain taxed despite meeting the same essential need for Canadian families. In fact, 84% of Canadians believe food should not be taxed, according to a spark*insights public opinion poll conducted on behalf of Restaurants Canada.

Earlier this year, we launched our 'Food is Food' petition calling on your government to support this important affordability measure for Canadians. We are now sharing with you more than **7,000** signatures gathered on our petition.

We believe this is a fair, effective and simple measure to deliver direct and immediate relief to Canadians struggling with affordability, to support job creation and to invest in local economies.

My team and I would be happy to discuss this recommendation with you further or answer any questions you may have.

Sincerely,



Kelly Higginson
President & CEO,
Restaurants Canada



Matt Triemstra
Vice President, Federal Affairs
Restaurants Canada