

# Intelligence MEMOS



From: Don Drummond and William B.P. Robson  
To: Canadian Public Finance Watchers  
Date: March 27, 2024  
Re: **THERE ARE NO EXCUSES FOR APRIL BUDGETS**

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Finance Minister Chrystia Freeland is to deliver the 2024 federal budget on April 16, more than two weeks after the April 1 start of the 2024-25 fiscal year.

Late federal budgets have become a pattern. The [2023 budget](#) was delivered March 28 – just three days ahead of April 1, and nowhere near early enough for Parliament or anyone else to even consider the fiscal plan before the year started. In both 2022 (April 7) and 2021 (April 19), the government also failed to get the budget out before the new fiscal year began. Go back a year earlier, and the situation was even worse. There was no budget.

It should be clear: Timely budgets with their tax and expenditure plans are good. Late budgets are not. This institutionalization of tardiness is hard to understand. Everybody affected – households, businesses, provinces and territories, government departments – should know the effects of the federal budget on their finances before the fiscal year begins so they can plan accordingly.

Budgets presented and passed after the fiscal year starts mean the government is already spending money before Canadians and their elected representatives have seen the plan. Parliamentarians have seen departmental spending plans in the main estimates, but a late budget means those plans will not align with the bigger picture. The Liberals' 2015 election platform promised to table the estimates with the budget. Yet the two are getting farther apart. This year, the main estimates were tabled Feb. 29. Not only were budget decisions not included, but there will undoubtedly be important differences in the underlying assumptions between the two documents.

Budgets presented in February fit well with political and parliamentary schedules and support effective planning. The fall economic statement and the pre-budget report of the House of Commons Standing Committee on Finance come out before Christmas. Major budget decisions can be made in a mid-to-late January cabinet meeting. That leaves more than a month to finalize details and prepare the budget publication. Barring any late, unexpected events, and there are no significant ones currently, there is no reason budgets cannot be released in February – or early March at the latest.

Why would the government deliberately delay the budget? No good reasons come to mind. A decision on the first phase of a national pharmacare program was made very recently, but that would be an easy addition. Awkwardly, the date chosen for the budget is six days after the next Bank of Canada interest-rate announcement. No doubt the overall economic mood, and possibly the budget's reception, might improve if the Bank of Canada were to deliver its long-awaited cut to the overnight rate on April 10. But the government could not credibly claim that an undelivered budget played a part in the bank's decision. In fact, for some years, large deficit-financed spending hikes have been compromising the Bank of Canada's battle to return inflation to the 2-percent target. It is even possible that the Bank will delay a rate cut it otherwise would have delivered in April because it worries that the coming budget will add to [inflation](#) pressures.

No good excuses come to mind either. Nova Scotia, New Brunswick and Prince Edward Island consistently deliver their budgets before April 1, and table their main estimates with their budgets to boot. The federal government, with its vastly greater resources, could easily do the same. As the C.D. Howe Institute's [annual report card](#) on the transparency and accountability of Canada's senior governments emphasizes, the federal government's size and national importance give it a unique responsibility to deliver budgets that are timely, transparent and reliable. Lately, it has fallen down on that responsibility.

All of us are left only with downsides and no upsides to pushing the budget into the new fiscal year and institutionalizing tardiness. Delivering budgets in February would be a good plank in an upcoming federal election, and a promise worth delivering on.

*Don Drummond is Stauffer-Dunning fellow at Queen's University and fellow-in-residence at the C.D. Howe Institute, where William B.P. Robson is chief executive officer.*

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