

Intelligence MEMOS



From: Lennie Kaplan

To: Albertans Concerned with Preserving Fiscal Transparency and Accountability

Date: March 25, 2024

Re: **ALBERTA RISKS BACK-SLIDING ON FISCAL TRANSPARENCY AND ACCOUNTABILITY**

With the introduction of [recent amendments](#) to Alberta's [fiscal framework](#), the provincial government risks back-sliding on fiscal transparency and accountability as tracked annually by the [C.D. Howe Institute](#).

The Alberta government amendment in question abandons three-year fiscal forecasts and only provides the current year in its [Mid-year Fiscal Update and Economic Statement](#).

This change is inconsistent with the recommendations of the 2019 [MacKinnon Panel Report on Alberta's Finances](#), which recommended that the government of Alberta reflect "best practice", and prepare a comprehensive 2Q Mid-Year Fiscal Update and Economic Statement by November 30 of each fiscal year to serve as a [full three-year update](#) on the government's budget. Alberta Treasury Board and Finance (TB&F) accepted this recommendation and began reporting on a multi-year basis, beginning with the [2020-21 statement](#).

The need to improve mid-year fiscal reporting practices in Alberta has been a long-standing issue. When employed at Treasury Board and Finance in 2013, I examined best practices in mid-year reporting and concluded that Alberta had fallen well behind the governments of Canada, Ontario, and Quebec, and was offside of OECD and IMF best practice guidelines. At the time, I recommended the Alberta government prepare a comprehensive mid-year fiscal and economic update, along the same lines as those published by the governments of Canada, Ontario and Quebec. Six years after my initial recommendation, the MacKinnon Panel made a similar request, and the provincial government finally relented.

What has changed now? Why is the Alberta government moving away from best practice for multi-year reporting already established by the [federal government of Canada](#), the and the provincial governments of [Ontario](#), [Quebec](#), and [B.C.](#)? Why not leave the 2Q reporting format section as it was originally [intended](#) by the UCP government, back in 2019?

According to the Finance Minister Nate Horner, it appears to be a [workload issue](#).

"The department would report on the current year, dropping the three-year outlook that is always updated just a few months later at budget. That would mean budget preparations such as consultation with other ministries could begin earlier," he told the legislature on March 14.

If this is a workload issue, then how do Ontario, Quebec, and B.C. have the capacity to prepare far more comprehensive multi-year updates of their fiscal plans.

Rather than risk lowering standards of fiscal transparency and accountability, why not take action to increase fiscal transparency and accountability? That is, the Alberta government should continue to prepare the multi-year 2Q report as it has done since 2020/21, but enhance its usefulness so it is comparable with "best practice" multi-year, mid-year fiscal and economic updates released by the governments of Ontario, Quebec, and B.C.

Lennie Kaplan is a former senior manager in the fiscal and economic policy division of Alberta's Ministry of Treasury Board and Finance, and was Executive Director to the MacKinnon Report on Alberta's Finances.

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A version of this Memo first [appeared](#) on the University of Calgary's School of Public Policy blog.