

Intelligence MEMOS



From: Farah Omran and William B.P. Robson
To: Members of Federal, Provincial and Territorial Parliaments
Date: March 29, 2018
Re: **ARE GOVERNMENTS JAMMING YOU WITH THEIR BUDGETS?**

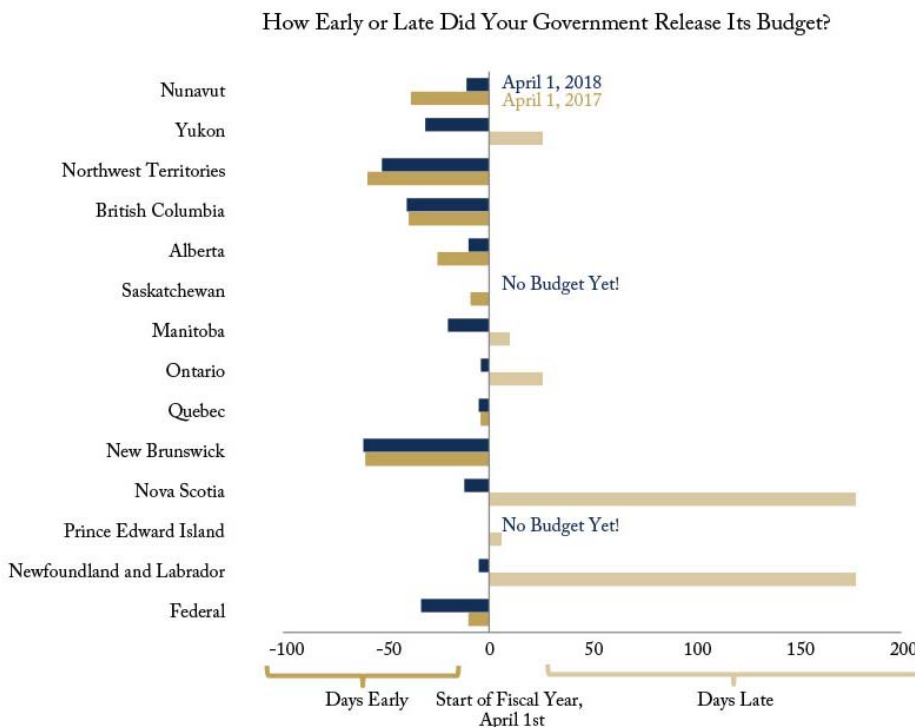
Canada's senior governments – federal, provincial and territorial – have fiscal years that run from April 1 to March 31. So the fiscal year 2018/19 begins on Sunday. Governments will be spending public money, money for which legislators must answer to their constituents, and for which governments must, in theory, answer to legislators. Did your government present its budget, and table its spending estimates, on a schedule that fosters this accountability?

In the provinces of Prince Edward Island and Saskatchewan, the answer is clearly “no” – neither has even presented its 2018/19 budget yet. Quebec and Newfoundland and Labrador presented theirs on March 27, and Ontario presented its yesterday – all much too late for effective scrutiny. Alberta's budget on March 22, Nunavut's on March 21, Nova Scotia's on March 20, and Manitoba's on March 12, were scarcely better. Only four senior governments presented their 2018 budgets more than one month in advance of the start of the 2018/19 fiscal year: Ottawa on February 27, British Columbia on February 20, Northwest Territories on February 8 and – taking the gold star for promptness and accountability this year — New Brunswick, which presented its budget on January 30.

The presentation of a budget is a key event. Control over public money is fundamental to democracy, and budget votes are matters of confidence on which governments stand or fall. For legislative control over public money to be a reality, legislators need time – time to read and understand the financial information in the budget, and time to consider the individual votes that authorize spending throughout the fiscal year. So timely budgets are critical. If they come so close to the beginning of the fiscal year that scrutiny is impossible, or even after the fiscal year has begun and money is already being spent, fiscal accountability is a fiction.

As Nova Scotia's example shows, governments can do better. Nova Scotia improved significantly in 2018, after presenting its budget six months after the start of the fiscal year in 2017, to releasing it two weeks early this year. Of the 12 governments that have presented their budgets for 2018, nine did so earlier than they did last year (see figure).

Canadians' elected representatives should insist on further improvements next year. In particular, legislators in Prince Edward Island and Saskatchewan should be demanding that their governments get their act together, presenting their 2018 budgets before the new fiscal year gets old (Saskatchewan's is scheduled for April 10), and committing to presenting their 2019 budgets in February or earlier. If any premier or minister of finance protests that it is impossible, the answer is simple. New Brunswick has produced January budgets two years in a row. Go there. They will show you how.



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Source: Government documents; Authors' calculations.