

Intelligence MEMOS



From: Farah Omran and William Robson
To: Members of federal, provincial and territorial parliaments
Date: March 27, 2019
Re: Spending without Authorization—Did You See a Budget Yet?

On June 6, 2017, in a much remarked speech in the House of Commons, you rightly extolled the virtues of a global order based on rules, including rules promoting, as you put it, “free and friendly trade.”

Next Monday is April 1, which marks the beginning of the fiscal year for Canada’s federal, provincial and territorial governments. A key principle of parliamentary democracy is that governments need legislative approval to spend public money. A key link in the chain of accountability for public funds is the annual budget.

Happily, with the federal government, New Brunswick, Saskatchewan and Quebec presenting their budgets last week, and Nova Scotia presenting today, 10 of the 14 senior governments have put their plans for 2019-2020 before their legislatures prior to the start of the fiscal year. Unhappily, Newfoundland and Labrador, Prince Edward Island, Ontario and Alberta will not. In these provinces, billions of dollars will be committed and spent before legislators have seen, let alone voted on, the programs their constituents will benefit from, and pay for.

For legislative control over public money to be a reality, legislators need time to read and understand budgets. Ideally, governments would present them well before the fiscal year begins. If they arrive too close to the beginning of the fiscal year, scrutiny is perfunctory. If they arrive after the fiscal year has begun and money is already flowing, fiscal accountability is a fiction.

The gold stars for budget promptness in Canada over the past five years go to British Columbia and New Brunswick. B.C. legislation requires a budget on the third Tuesday of February, a deadline it meets. New Brunswick also has a five-year record of budgets presented before the end of March, and in 2016, 2017 and 2018, it presented before the end of February. Quebec deserves a shout-out for presenting before the end of March consistently over the past five years – though it would get a heartier one if it beat the deadline by more. The Northwest Territories deserves recognition as well: it stumbled with a June presentation in 2016, but delivered February budgets in every other year.

The budget-promptness raspberry goes to Prince Edward Island, which failed to present a budget before the fiscal year in any of the past five years, with Newfoundland and Labrador getting a dishonourable mention for having done so only once. Encouragingly, there is a promising trend toward more timely delivery over the past five years. Colour-code budget dates with green for before the end of February, yellow for March, and red for April or later, as in the figure, and 2015 and 2016 show too much red. Only six of the 14 governments presented before March 31 in those years. In 2017, however, eight did, and last year, 11 managed it.

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This year represents a setback. Ontario's budget is due for April 11, Newfoundland and Labrador only launched its pre-budget consultations in January, and PEI in February. Alberta will have no budget until after its April 16 election – which sounds reasonable until we reflect that a province with major fiscal challenges will be operating without proper legislative scrutiny well into 2019-2020. Legislators in these provinces should demand better.

Indeed, legislators just about everywhere should demand better. Next year's tally should show yellow – preferably green – across the country. New Brunswick presented its budget in January in 2017 and 2018, and the Northwest Territories led the pack with a February 6 presentation this year. British Columbia meets its February deadline every year. Elected representatives in those jurisdictions have a real opportunity to examine and vote on their governments' fiscal plans before the year begins. If they can do it, so can everyone.

	Date Budget Tabled				
	2015	2016	2017	2018	2019
Federal	21 Apr	22 Mar	22 Mar	27 Feb	19 Mar
Newfoundland and Labrador	20 Apr	14 Apr	06 Apr	28 Mar	Not Yet
Prince Edward Island	19 Jun	30 May	07 Apr	06 Apr	Not Yet
Nova Scotia	09 Apr	19 Apr	26 Sep	20 Mar	26 Mar
New Brunswick	31 Mar	02 Feb	31 Jan	30 Jan	19 Mar
Quebec	26 Mar	17 Mar	28 Mar	27 Mar	21 Mar
Ontario	23 Apr	23 Mar	27 Apr	28 Mar	Not Yet
Manitoba	30 Apr	31 May	11 Apr	12 Mar	07 Mar
Saskatchewan	18 Mar	01 Jun	23 Mar	11 Apr	20 Mar
Alberta	27 Oct	14 Apr	07 Mar	22 Mar	Not Yet
British Columbia	17 Feb	16 Feb	21 Feb	20 Feb	19 Feb
Northwest Territories	05 Feb	01 Jun	01 Feb	08 Feb	06 Feb
Yukon	02 Apr	07 Apr	27 Apr	01 Mar	19 Mar
Nunavut	25 Feb	25 Feb	22 Feb	28 May	20 Feb

William B.P. Robson is President and CEO and Farah Omran is a Junior Policy Analyst at the C.D. Howe Institute.

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