

April 30, 2024



Budget 2024: Issues for Parliamentarians



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

The Parliamentary Budget Officer (PBO) supports Parliament by providing economic and financial analysis for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

To assist parliamentarians in their budgetary deliberations, this report highlights key issues arising from Budget 2024.

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Highlights

In Budget 2024, the Government announced \$61.2 billion in new spending that was partially offset by \$21.9 billion in revenue-raising measures. On a net basis, the new measures reduce the budgetary balance by \$39.3 billion over 2023-24 to 2028-29.

Budget 2024 marks the third consecutive fiscal plan in which the Government's new measures—even after accounting for revenue-raising and spending reviews—have exceeded the incremental “fiscal room” resulting from economic and fiscal developments. Indeed, the \$39.3 billion in (net) new measures announced in Budget 2024 more than exhaust the \$29.1 billion in new fiscal room over 2023-24 to 2028-29.

Budget 2024 indicates that the Government will attempt to achieve the savings announced in the 2023 Fall Economic Statement mostly through natural attrition in the federal public service. This planned reduction would represent a shift in the trend increase in the size of the federal public service in recent years. It is also unclear how new measures announced in Budget 2024 will impact planned full-time equivalents over the medium term.

The Government also announced in Budget 2023 and the 2023 Fall Economic Statement its intention to reallocate previously announced spending that has yet to occur. While some information has been provided in the Estimates, it remains difficult to track the overall plans, progress, and results of these measures as there is no central tracking document which is publicly available.

Summary

To assist parliamentarians in their budgetary deliberations, this report highlights key issues arising from Budget 2024.

Economic outlook

On balance, the outlook for real gross domestic product (GDP) growth over 2023 to 2028 presented in Budget 2024 is slightly weaker compared to PBO's March outlook, with annual growth averaging, respectively, 1.7 per cent and 1.8 per cent. This slight difference largely reflects a softer rebound in 2025 forecast by private sector economists.

Nominal GDP in Budget 2024 is \$29 billion (0.9 per cent) higher per year, on average, over 2023 to 2028 compared to PBO's March outlook. This difference primarily reflects stronger-than-expected GDP inflation in the last quarter of 2023, which was not included in our March outlook.

Fiscal outlook

Relative to the 2023 Fall Economic Statement (FES), Budget 2024 included \$39.3 billion in net new measures over 2023-24 to 2028-29. This represents an increase in (net) new spending of \$38.7 billion relative to PBO's March outlook.

When put on a comparable basis (that is, our March projection adjusted for new measures), PBO's projected budgetary deficits are \$5.3 billion higher annually, on average, over 2023-24 to 2028-29, largely due to lower projected personal and corporate income tax revenues.

New measures

In Budget 2024, the Government announced \$61.2 billion in new spending that was partially offset by \$21.9 billion in revenue-raising measures. On a net basis, the new measures reduce the budgetary balance by \$39.3 billion over 2023-24 to 2028-29.

Budget 2024 marks the third consecutive fiscal plan in which the Government's new measures—even after accounting for revenue-raising and spending reviews—have exceeded the incremental fiscal room resulting from economic and fiscal developments. Indeed, the \$39.3 billion in (net) new measures announced in Budget 2024 more than exhaust the \$29.1 billion in new fiscal room over 2023-24 to 2028-29.

Spending reviews

Budget 2024 provides additional details on how the Government plans to achieve the remaining savings announced in Budget 2023 and the 2023 FES for refocusing government spending measures.

Budget 2024 indicates that the Government will attempt to achieve the savings announced in the 2023 FES mostly through natural attrition in the federal public service. The Government expects the number of full-time equivalents (FTEs) to decrease by approximately 5,000 over the next four years. This planned reduction would represent a shift in the trend increase in the size of the federal public service in recent years. It is also unclear how new measures announced in Budget 2024 will impact planned FTEs over the medium term as several of these will likely require additional staff.

In addition to refocusing government spending, the Government announced in Budget 2023 and the 2023 FES its intention to reallocate previously announced spending that has yet to occur. While some information has been provided in the Estimates, it remains difficult to track the overall plans, progress, and results of these measures as there is no central tracking document which is publicly available.

Fiscal anchor

In Budget 2024, the Government claimed to “maintain its commitment to its fiscal objectives and achieve its fiscal anchor to reduce the federal debt-to-GDP ratio over the medium-term”. Based on the outlook presented in Budget 2024, the federal debt-to-GDP ratio is projected to increase, remaining above its 2022-23 level of 41.7 per cent for two years, before gradually declining over the medium term to reach 39.0 per cent in 2028-29.

On a status quo basis—that is, without additional measures and given possible economic outcomes surrounding the private sector outlook—we estimate that there is a

72 per cent chance that the federal debt-to-GDP ratio in 2028-29 would be below its 2022-23 level of 41.7 per cent.

Fiscal Transparency

Alignment of financial reporting

Budget 2024 was tabled over a month after the Government's Expenditure Plan and Main Estimates for 2024-25, meaning the latter did not contain any of the \$12.5 billion in additional spending for budget measures.

Consistent with the Parliamentary Budget Officer's mandate to "promote fiscal transparency", it is recommended that Parliament consider adopting a new legislative or administrative framework to improve transparency and comprehensibility for parliamentarians and the public. In this case, a fixed budget date earlier in the year could enforce better alignment among the Government's various financial reports.

Non-announced measures

In Budget 2024, the Government identified \$839 million—on a net basis—in new "non-announced" measures over 2023-24 to 2028-29. In 2023-24, there are \$1.8 billion in new measures that have not been announced yet for a fiscal year that is over. This lack of transparency presents challenges for parliamentarians and the public in scrutinizing the Government's past and future spending plans.

Economic outlook

The economic outlook presented in Budget 2024 was based on Finance Canada's March 2024 survey of private-sector economists. Table 1 provides a high-level comparison of the average private sector forecast in Budget 2024 and PBO's Economic and Fiscal Outlook (EFO) published on March 5, which incorporated data up to and including February 20.¹

On balance, the outlook for real GDP growth over 2023 to 2028 presented in Budget 2024 is slightly weaker compared to PBO's March outlook, with annual growth averaging, respectively, 1.7 per cent and 1.8 per cent. This slight difference largely reflects a softer rebound in 2025 forecast by private sector economists.

The private sector forecast for nominal GDP in Budget 2024 is \$29 billion (0.9 per cent) higher per year, on average, over 2023 to 2028 compared to PBO's March outlook.² This difference primarily reflects stronger-than-expected GDP inflation in the last quarter of 2023, which was not included in our March outlook.³

In Budget 2024, the private sector outlook for the unemployment rate averages 5.9 per cent over 2023 to 2028, which is 0.3 percentage points higher than PBO's March outlook. That said, on balance, private sector economists forecast faster employment growth over the medium term.⁴ Consequently, the higher unemployment rate reflects higher labour force participation underlying the private sector forecast.

The outlook for 3-month treasury rates over 2023 to 2028 presented in Budget 2024 (3.4 per cent, on average) is somewhat higher than PBO's projection (3.2 per cent, on average), likely reflecting differing views about the level of the nominal neutral rate of interest. However, the private sector outlook for the 10-year government bond rate in Budget 2024 is broadly consistent with PBO's March outlook (3.3 per cent, on average).

Table 1
Economic outlook comparison

	2023	2024	2025	2026	2027	2028	2023-2028
Real GDP growth* (%)							
Budget 2024	1.1	0.7	1.9	2.2	2.1	2.0	1.7
PBO-March EFO	1.1	0.9	2.4	2.2	2.1	2.0	1.8
Difference	0.0	-0.2	-0.5	0.0	0.0	0.0	-0.1
GDP inflation* (%)							
Budget 2024	1.6	3.0	1.9	2.0	2.0	2.0	2.1
PBO – March EFO	1.3	2.1	1.6	1.8	2.0	2.0	1.8
Difference	0.3	0.9	0.3	0.2	0.0	0.0	0.3
Nominal GDP* (\$ billions)							
Budget 2024	2,889	2,998	3,115	3,246	3,382	3,518	
PBO – March EFO	2,881	2,968	3,088	3,212	3,345	3,481	
Difference	8	30	27	34	37	37	
Unemployment rate (%)							
Budget 2024	5.4	6.3	6.3	6.0	5.8	5.7	5.9
PBO – March EFO	5.4	5.9	5.8	5.7	5.6	5.5	5.6
Difference	0.0	0.4	0.5	0.3	0.2	0.2	0.3

Sources:

Finance Canada and Office of the Parliamentary Budget Officer.

Note:

* Figures from PBO's March outlook have been adjusted to reflect the historical revisions up to the third quarter of 2023. Numbers may not add due to rounding.

Budget 2024 includes an economic scenario analysis that considers faster or slower growth tracks relative to the private sector forecast. The upside and downside scenarios present an outlook for nominal GDP that is, on average, \$34 billion above and below, respectively, the baseline profile from Budget 2024 over the 2024-2028 projection horizon. To illustrate uncertainty surrounding our March economic and fiscal outlook, we constructed distributions of possible future outcomes that are centred on our baseline projection. These distributions are presented as fan charts in the EFO for key variables such as real GDP and the federal debt-to-GDP ratio.

Fiscal outlook

Relative to the 2023 Fall Economic Statement (FES), Budget 2024 included \$39.3 billion in net new measures over 2023-24 to 2028-29. This represents an increase in (net) new spending of \$38.7 billion relative to PBO's March outlook.

When put on a comparable basis (that is, our March projection adjusted for new measures), PBO's projected budgetary deficits are \$5.3 billion higher annually, on average, over 2023-24 to 2028-29, largely due to lower projected personal and corporate income tax revenues (Table 2).

Table 2

Fiscal outlook comparison, billions of dollars

	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
PBO budgetary balance in the March EFO	-46.8	-40.8	-35.5	-25.1	-24.4	-16.9
New measures detailed in Budget 2024*	-2.9	-5.3	-7.5	-10.1	-7.1	-5.9
(A) Adjusted PBO budgetary balance	-49.7	-46.1	-43.0	-35.2	-31.5	-22.8
(B) Budgetary balance in Budget 2024	-40.0	-39.8	-38.9	-30.8	-26.8	-20.0
Difference in the budgetary balance (A-B)	-9.7	-6.3	-4.1	-4.4	-4.7	-2.8

Sources:

Finance Canada and Office of the Parliamentary Budget Officer.

Note:

* New measures are adjusted for measures already included in PBO's March Economic and Fiscal Outlook. Numbers may not add due to rounding.

In 2023-24, PBO's adjusted budgetary deficit is \$9.7 billion higher, due to lower personal and corporate income tax revenues (\$10.3 billion lower). In the January and February Fiscal Monitor, personal and corporate income tax revenues were higher than we anticipated in our March outlook, which largely accounts for our lower projected income tax revenues in 2023-24.⁵

Over 2024-25 to 2028-29, PBO's adjusted budgetary deficit is, on average, \$4.5 billion higher, largely due to lower personal and corporate income tax revenues that are partly offset by lower public debt charges⁶ and program expenses.⁷ Our lower projected personal and corporate income tax revenues primarily reflect lower projected nominal GDP over this period.

New measures

Revisions over 2023-24 to 2028-29 to the private sector economic outlook and fiscal developments in Budget 2024 provide a total of \$29.1 billion in new “fiscal room”.⁸ This revision reflects higher budgetary revenues (\$45.3 billion in total over 2023-24 to 2028-29), particularly income taxes, that are partially offset by higher expenses (\$16.2 billion in total over 2023-24 to 2028-29), largely due to higher public debt charges and direct program expenses.

In Budget 2024, the Government announced \$61.2 billion in new spending that was partially offset by \$21.9 billion in revenue-raising measures. On a net basis, the new measures reduce the budgetary balance by \$39.3 billion over 2023-24 to 2028-29 (Table 3).

Table 3

New measures in Budget 2024, billions of dollars

	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total
New spending measures*	3.3	12.7	11.4	11.0	11.2	11.4	61.2
Revenue-raising measures	0.0	-7.4	-3.9	-0.9	-4.2	-5.6	-21.9
Total measures in Budget 2024 (net basis)	3.3	5.3	7.5	10.1	7.1	5.9	39.3

Sources:

Finance Canada and Office of the Parliamentary Budget Officer.

Note:

* Includes all new measures since the 2023 Fall Economic Statement (that is, off-cycle measures and Budget 2024 announcements). Numbers may not add due to rounding.

In the absence of the \$39.3 billion in (net) new spending in Budget 2024, the budgetary deficit would be \$6.5 billion lower each year, on average, over 2023-24 to 2028-29 and the federal debt-to-GDP ratio would be 1.1 percentage points lower in 2028-29 than projected in Budget 2024, all else equal.⁹

Budget 2024 marks the third consecutive fiscal plan in which the Government’s new measures—even after accounting for revenue-raising and spending reviews—have exceeded the incremental fiscal room resulting from economic and fiscal developments.

Indeed, the \$39.3 billion in (net) new measures announced in Budget 2024 more than exhaust the \$29.1 billion in new fiscal room over 2023-24 to 2028-29.

Since Budget 2021, the Government has announced a total of \$251.6 billion in new spending measures (on a net basis), most of which was financed through new fiscal room¹⁰ (\$241.9 billion in total), while the remainder was financed through higher deficits (\$9.7 billion, on a cumulative basis). Of the \$241.9 billion in new fiscal room, \$228.0 billion (94 per cent) was used to finance new non-COVID-19 measures over 2021-22 to 2028-29.

In the absence of new non-COVID-19 measures since Budget 2021, the budgetary deficit over 2021-22 to 2028-29 would be \$28.5 billion lower each year, on average, and the federal debt-to-GDP ratio would be 6.5 percentage points lower in 2028-29 than projected in Budget 2024, all else equal.¹¹

Table 4

New fiscal room and new measures since Budget 2021, billions of dollars

	New fiscal room projected	COVID-19 Measures	New non-COVID-19 measures	Deficit reduction (or increase)
Budget 2024	29.1	0.0	39.3	-10.2
FES 2023	-18.7	0.0	20.7	-39.4
Budget 2023	-26.1	0.0	42.9	-69.0
FES 2022	81.2	0.0	52.2	29.0
Budget 2022	85.5	5.9	29.0	50.6
EFU 2021	90.9	17.7	43.9	29.3
Total	241.9	23.6	228.0	-9.7

Sources:

Finance Canada and Office of the Parliamentary Budget Officer.

Note:

Amounts for Budget 2022 and the 2021 Economic and Fiscal Update (EFU) apply to fiscal years 2021-22 to 2026-27 and 2021-22 to 2025-26, respectively. The 2022 FES and Budget 2023 amounts apply to fiscal years 2022-23 to 2027-28. The 2023 FES and Budget 2024 amounts apply to fiscal years 2023-24 to 2028-29. Negative fiscal room indicates a deterioration in the budgetary balance. Numbers may not add due to rounding.

Spending reviews

The Government has announced multiple spending reviews in recent years, which have evolved in scope and scale. Budget 2024 provides additional details on how the Government plans to achieve the remaining savings announced in Budget 2023 and the 2023 FES for refocusing government spending measures.

In Budget 2023, the Government stated that it would be “Refocusing Government Spending to Deliver for Canadians”, with the goal of reducing the pace and scale of growth in government spending back to a pre-pandemic path. This first phase represents \$15.4 billion in savings over five years, starting in 2023-24, and \$4.5 billion annually thereafter.

As part of the Estimates process, the Treasury Board of Canada Secretariat provided a breakdown of planned reallocations for organizations which receive appropriations through the Estimates. This information covers the fiscal years 2023-24 to 2026-27 and does not include the comparable spending reductions planned for Crown corporations.

Additional details on the first phase of the Refocusing Government Spending exercise are also provided in the 2024-25 Departmental Plans (DPs), and organizations will also report on their progress through their Departmental Results Reports (DRRs).

A second phase of spending reviews was announced in the 2023 Fall Economic Statement, which further expanded on the Budget 2023 commitment, with the goal to identify an additional \$2.4 billion in savings over four years, starting in 2025-26, and \$0.7 billion annually thereafter.

In addition, Budget 2023 announced cross-government program effectiveness reviews, with the first review examining skills training and youth programming. It stated that this review would determine, by Budget 2024, whether improvements could be made. Budget 2024 does not provide an update on the status or results of this review. A complete list of spending reviews is provided in Table 5.

Table 5
Spending reviews – savings targets and status

Spending review	Launch	Review period	Savings targeted	Savings achieved	Status
Reduced Planned Spending in the Context of a Stronger recovery	Budget 2022	2023-24 to 2026-27	\$3.0 billion	\$3.8 billion*	Completed
Strategic Policy Review	Budget 2022	2024-25 to 2027-28	\$9.0 billion	\$0	Cancelled
Reduced Spending on Consulting, Professional Services and Travel	Budget 2023	2023-24 to 2027-28	\$7.1 billion	\$0.5 billion**	Underway
Reduced Eligible Spending by Government Departments and Agencies	Budget 2023	2024-25 to 2027-28	\$7.0 billion	-	Underway
Crown Corporations – Comparable Spending Reductions	Budget 2023	2024-25 to 2027-28	\$1.3 billion	-	Underway
Cross-Government Program Effectiveness	Budget 2023	?	?	-	Underway
Responsible Government Spending	FES 2023	2025-26 to 2028-29	\$2.4 billion	-	Underway

Sources:

Finance Canada, Treasury Board of Canada Secretariat and Office of the Parliamentary Budget Officer.

Note:

The end date in the review period relates to the projection period used in the document in which it was announced. Some measures may extend past those dates if the measure is extended.

* The \$3.8 billion in savings was “achieved” through lower-than-anticipated spending on certain COVID-19 support measures in 2021-22.

** Supplementary Estimates (B) 2023-24 provides a breakdown of the \$500 million reduction in planned spending in 2023-24 on consulting, other professional services, and travel.

For the second phase of refocusing government spending, Budget 2024 indicates that the Government will attempt to achieve the savings announced in the 2023 FES mostly through natural attrition in the federal public service. The Government expects the number of full-time equivalents (FTEs) to decrease by approximately 5,000 over the next four years.

As noted in previous PBO analyses, the federal public service has increased significantly in recent years.¹² Between 2006-07 and 2022-23, the number of FTEs rose from 335,000 to 432,000—an increase of over 96,000 FTEs.¹³ This planned reduction would represent a shift in the trend increase in the size of the federal public service in recent years. It is also unclear how new measures announced in Budget 2024 will impact planned FTEs over the medium term as several Budget 2024 measures will likely require additional employees.

Federal public service organizations will also be required to use existing resources to cover a portion of their increasing operating costs. Additional details on how these will be rolled out across different government organizations have not yet been published.

In addition to refocusing government spending, the Government announced in Budget 2023 and the 2023 FES its intention to reallocate previously announced spending that has yet to occur. While some information has been provided in the Estimates, it remains difficult to track the overall plans, progress, and results of these measures as there is no central tracking document which is publicly available.

Budget 2023 committed to identify \$6.4 billion in savings (on a cumulative basis over 2022-23 to 2027-28), with \$3.5 billion in spending no longer required in 2023-24. The 2023 FES outlined additional savings of \$0.5 billion over six years, starting with \$0.1 billion in 2023-24 (Table 6).

Table 6
Spending reallocations – savings targets and status

Spending reallocation	Launch	Review period	Savings targeted	Savings achieved	Status
Realigning Previously Announced Spending	Budget 2023	2022-23 to 2027-28	\$6.4 billion	\$1.4 billion*	Underway
Responsible Investments to Meet the Current Needs of Canadians	FES 2023	2023-24 to 2028-29	\$0.5 billion	\$0.1 billion*	Underway

Sources:

Finance Canada, Treasury Board of Canada Secretariat and Office of the Parliamentary Budget Officer.

Note:

The end date in the review period relates to the projection period used in the document in which it was announced. Some measures may extend past those dates if the measure is extended.

* These amounts are from the Frozen Allotments in Voted Authorities for Supplementary Estimates (C) 2023-24. It is unclear whether these have been the only savings achieved, or if additional savings were made outside of the frozen allotment process.

Supplementary Estimates (C) 2023-24 provided some information on these measures for amounts which were frozen for the purpose of reducing available authorities, and therefore could not be spent (\$1.4 billion in 2023-24 for the Budget 2023 reallocation and \$0.1 billion in 2023-24 for the 2023 FES reallocation).

Given some of the gaps in information currently available, parliamentarians may wish to request additional details about the Government's refocusing and reallocation plans, including the status or results of the programs impacted (if any).

Fiscal anchor

In Budget 2024, the Government claimed to “maintain its commitment to its fiscal objectives and achieve its fiscal anchor to reduce the federal debt-to-GDP ratio over the medium-term”. Recall that in the 2023 Fall Economic Statement, the Government introduced the fiscal “objective” of keeping deficits below 1 per cent of GDP in 2026-27 and future years.¹⁴

Based on the outlook presented in Budget 2024, the federal debt-to-GDP ratio is projected to increase, remaining above its 2022-23 level of 41.7 per cent for two years, before gradually declining over the medium term to reach 39.0 per cent in 2028-29. The budgetary deficit is projected to reach 0.9 per cent of GDP in 2026-27 and decline further to 0.6 per cent in 2028-29.

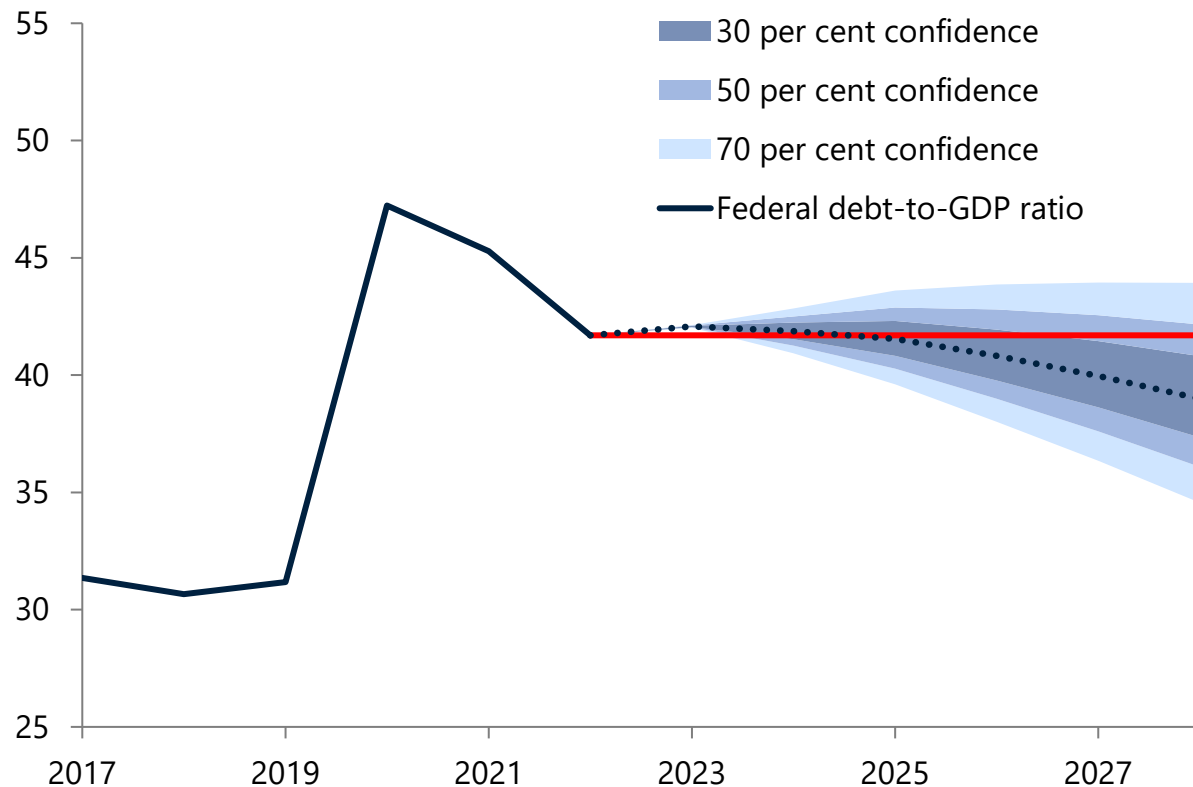
Given the private sector economic outlook and the Government’s fiscal projection in Budget 2024, using our fiscal sensitivities, we construct distributions of future possible outcomes to calculate confidence intervals.

On a status quo basis—that is, without additional measures and given possible economic outcomes surrounding the private sector outlook—we estimate that a 70 per cent confidence interval for the federal debt-to-GDP ratio in 2028-29 would be approximately ± 4.7 percentage points (Figure 1). We estimate that there is a 72 per cent chance that the federal debt-to-GDP ratio in 2028-29 would be below its 2022-23 level of 41.7 per cent.

Budget 2024 provides an economic scenario analysis that includes downside and upside scenarios based on slower and faster growth tracks, respectively. In terms of the federal debt-to-GDP ratio, the scenario results fall within PBO’s confidence intervals shown in Figure 1. Indeed, in 2028-29 the federal debt ratio in the Budget 2024 scenarios (37.6 per cent and 40.2 per cent) falls within PBO’s 30 per cent confidence interval (37.3 per cent and 40.8 per cent).

Figure 1

Forecast intervals for the federal debt-to-GDP ratio, per cent



Sources:

Finance Canada and Office of the Parliamentary Budget Officer.

Note:

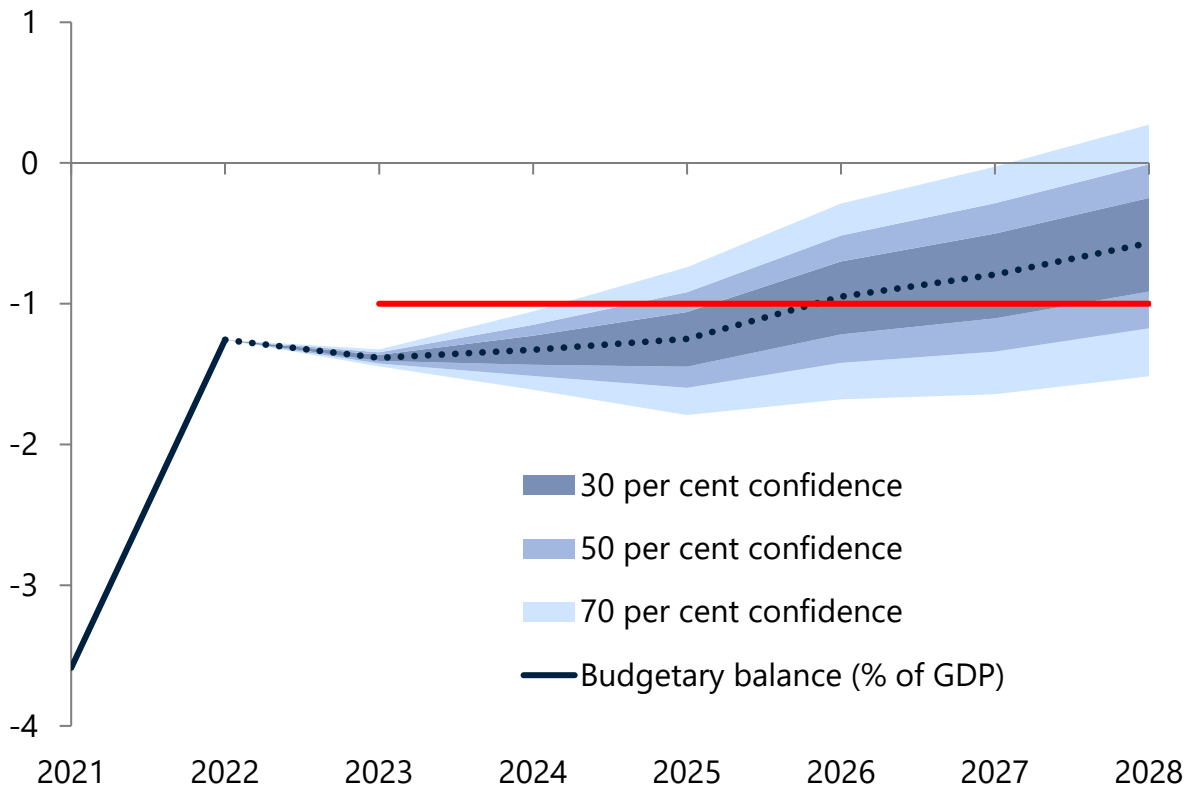
The series are presented on a fiscal-year basis (2021 corresponds to fiscal year 2021-22). The projection period covers 2023-24 to 2028-29. The red line corresponds to the baseline level of the federal debt-to-GDP ratio in 2022-23.

We also construct confidence intervals for the budgetary balance relative to GDP (Figure 2). On a status quo basis, we estimate that a 70 per cent confidence interval for the budgetary balance-to-GDP ratio in 2028-29 would be approximately ± 0.9 percentage points. We estimate that there is a 69 per cent chance that the deficit-to-GDP ratio in 2028-29 would be below the Government's limit of 1.0 per cent of GDP.

In terms of the budgetary balance-to-GDP ratio, the scenario results presented in Budget 2024 fall within PBO's confidence intervals shown in Figure 2. In 2028-29, the budgetary balance ratio in the Budget 2024 scenarios (-0.7 per cent and -0.4 per cent) falls within PBO's 30 per cent confidence interval (-0.9 per cent and -0.2 per cent).

Figure 2

Forecast intervals for the budgetary balance-to-GDP ratio, per cent



Sources:

Finance Canada and Office of the Parliamentary Budget Officer.

Note:

The series are presented on a fiscal-year basis (2021 corresponds to fiscal year 2021-22). The projection period covers 2023-24 to 2028-29. The red line corresponds to the Government's limit of 1 per cent of GDP.

On a status quo basis, we estimate that a 70 per cent confidence interval for the budgetary balance in 2028-29 would range from a deficit of \$50.4 billion to a surplus of \$10.1 billion, with a 25 per cent chance of a balanced budget or better.

Fiscal transparency

Alignment of financial reporting

Budget 2024 was tabled over a month after the Government's Expenditure Plan and Main Estimates for 2024-25, meaning the latter did not contain any of the \$12.5 billion in additional spending for budget measures.¹⁵ Similarly, the 2024 Departmental Plans, which describe departmental priorities and outline programs and resource requirements for the next three years, were tabled more than a month before Budget 2024 and do not contain information regarding the \$35.6 billion in new budget spending between 2024-25 and 2026-27.¹⁶

Due to the lack of alignment between these financial reports—and consistent with the Parliamentary Budget Officer's mandate to "promote fiscal transparency"—it is recommended that Parliament consider adopting a new legislative or administrative framework to improve transparency and comprehensibility for parliamentarians and the public. In this case, a fixed budget date earlier in the year could enforce better alignment among the Government's various financial reports.

Non-announced measures

Since the 2016 Fall Economic Statement, the Government has been quantifying "non-announced" spending decisions that could relate to either confidential planned spending or provisions for anticipated Cabinet decisions.¹⁷ In Budget 2024, the Government identified \$839 million—on a net basis—in new "non-announced" measures over 2023-24 to 2028-29 (Table 7).

Table 7

Non-announced measures in Budget 2024, billions of dollars

	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total
Non-announced spending (net basis)	1.8	-0.3	-0.8	-0.7	0.5	0.3	0.8

Source:

Finance Canada.

Note:

Numbers may not add due to rounding.

In 2023-24, there are \$1.8 billion in new measures that have not been announced yet for a fiscal year that is over. This lack of transparency presents challenges for parliamentarians and the public in scrutinizing the Government's past and future spending plans.

Parliamentarians may wish to request that the Government provide details on the timing of the announcement pertaining to the \$1.8 billion in non-announced measures in 2023-24. Parliamentarians may also wish to ask that provisions for anticipated Cabinet decisions not yet made be presented as a separate item within the category of non-announced measures.

Notes

¹ [Economic and Fiscal Outlook – March 2024](#).

² PBO's economic projection has been adjusted to reflect the historical revisions up to the third quarter of 2023.

³ Adjusting our March outlook to include the value of nominal GDP observed in fourth quarter of 2023 (and assuming that the impact of this upside revision is permanent), would result in a profile for nominal GDP that closely tracks the private sector forecast presented in Budget 2024.

⁴ The private sector forecast of employment growth is 0.3 percentage points higher, on average, over 2024 to 2028 compared to PBO's March EFO.

⁵ Our 2023-24 projection for personal and corporate income taxes was based on the December Fiscal Monitor.

⁶ Lower public debt charges likely reflect our lower projected short-term interest rates.

⁷ Our program expenses projection is \$0.8 billion lower, on average, over 2024-25 to 2028-29 largely due to lower projected Employment Insurance and children's benefits.

⁸ Fiscal room refers to the economic and fiscal developments since the 2023 Fall Statement presented in Table A1.4 in Budget 2024, page 362.

⁹ For simplicity, the fiscal impact of new measures on the deficit and debt-to-GDP ratio does not include public debt charges.

¹⁰ In this context, fiscal room refers to the economic and fiscal developments since the previous statement or budget. For example, in Budget 2024 see Table A1.4, page 362: "Economic and Fiscal Developments Since Fall Economic Statement 2023". These amounts are then added to the 2023 FES budgetary balance projection to arrive at "Budgetary balance before policy actions and measures" in Table A1.3 on page 361.

¹¹ See Note 9.

¹² [Full-Time Equivalents in the Federal Public Service – 2024-25 Departmental Plans](#).

¹³ According to the 2024-25 Departmental Plans (DPs), the number of FTEs are then projected to decline. However, based on the past three years of DPs, a pattern has emerged where the projected profile of FTEs (reaching a peak and then declining), is revised upward across the planning horizon in subsequent DPs.

¹⁴ Other fiscal objectives related to the deficit in 2023-24 (maintaining it at or below \$40.1 billion) and the debt-to-GDP ratio in 2024-25 (lowering it relative to the FES and keeping it on a downward track thereafter).

¹⁵ Does not include policy actions since the 2023 Fall Statement presented in Table A1.16 in Budget 2024, page 391.

¹⁶ See Note 15.

¹⁷ For example, spending decisions related to national security, commercial sensitivity, contract obligations and litigation issues.

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