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Intelligence MEMOS

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From: Nick Dahir and William B.P. Robson

To: Federal Budget Watchers

Re: SLIMMER BUDGETS, PLEASE, AND PUT THE NUMBERS UP FRONT

Initial buzz about last month's supposedly "generational" federal budget marking a decisive break from the growth-suppressing fiscal policies of the recent past has now faded.

In retrospect, far too much of the budget was discouragingly familiar: More upward revisions of projected spending and borrowing, narrowly focused tax measures and – in telling symbolism – another unwieldy document packed with superfluous material that buried the key numbers deep where only experts could find them.

The C.D. Howe Institute's annual **report card** grades the transparency and accountability of federal, provincial and territorial budgets, main estimates and financial statements. Ottawa – once a leader in providing clear, timely numbers – has recently been earning Ds and even an F (for unsubmitted work: The 2020 budget **no-show**). Among other things, these low grades reflect problems with the increasingly opaque presentation of recent federal budgets.

The central features of a government's budget are its projections for revenue and expenses and the resulting annual surplus or deficit. These key numbers provide the information legislators and citizens need to answer such straightforward questions as "by how much does the government intend to raise spending or revenue?" and "what will the fiscal plan do to the government's capacity to deliver services?" A good budget is short and to the point, with these numbers up front where any reader can quickly and confidently identify them. Recent federal budgets have not been like that.

Since 2005, federal budgets have presented the key revenue, expense and deficit numbers after hundreds of pages of political messaging, fluff and previously announced measures. Since 2015, they have been worse, relegating these key numbers to an annex. And "hundreds of pages" is not just a figure of speech. In 2022, the budget was 304 pages long; in 2023, 270 pages; and in 2024, 430 pages. The PDF version of the November 2025 budget came in at 493 pages. Everything in Ottawa seems to be growing uncontrollably.

The growing length of federal budgets makes the late appearance of the key numbers even more objectionable. Budgets are not murder mysteries: suspense is not a virtue.

Confronted with a book-length document, many non-experts may give up before finding the right numbers. Or, even worse, they may mistake partial numbers presented earlier for the key numbers. In stark – and in the context strange – contrast, the federal government's year-end financial statements present all the key numbers in the first dozen pages. There is no reason federal budgets could not do the same.

These overgrown documents are political choices, not necessities. Federal budgets used to be short. The 1971 budget was only 84 pages, the 1980 budget only 53. But they grew in the 1990s and 2000s, as extraneous bumf eclipsed the key numbers.

Provincial governments, whose budgets cover such critical programs as health and education, and which have major tax and borrowing requirements of their own, face similar political temptations to turn their budgets into unwieldy messes of messaging. But many have resisted: this year's budgets in Newfoundland and Labrador, Nova Scotia, New Brunswick, Saskatchewan, Northwest Territories and Nunavut were all under 100 pages.

Unfortunately, the problems with Ottawa's presentation of its finances go beyond excessive length. Readers who do manage to hunt down the key numbers then face more obstacles. The federal government excludes the amortization of pension costs from its expenses. That omission makes the main expense line incomplete, which in turn means the deficit numbers are understated. It is hard to avoid the suspicion that the government hides these numbers for a reason.

Canadians need a decisive break from the pattern of recent federal budgets.

We need real reductions in bloated spending, not minor trims from an ever-inflating baseline.

We need comprehensive tax changes that reduce the burden of high personal and corporate tax rates on work, saving and investment.

We need a federal debt that shrinks relative to the economy.

And we need changes in the budget presentation to complement those moves – a shorter document with clean numbers presented up front, without the rhetoric, reannouncements and other spin that signal an unserious approach to Canada's fiscal challenges.

The November 2025 federal budget was not at all the decisive break from the past it claimed to be. The next budget should make that break – in its substance, certainly, but also in giving Canadians the numbers they need where anyone can find them.

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