

DIGGING DEEPER

Federal Budget Basics & Budget Advocacy 101

Understanding Levers of Change

EVERY DAY
ADVOCATES



Environmental
Leadership
Canada

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Objective

This primer is intended to introduce advocates to Canada's federal budget cycle, familiarize them with windows for engagement, and provide tips for undertaking budget advocacy with MPs.

Questions considered include:

- Why does the budget matter for environmental advocates?*
- What is the difference between the Federal Budget and the Fall Economic Statement?*
- How can groups like the Green Budget Coalition help you inform your ask in budget advocacy?*
- How can your organization engage in advocacy with the public and media on budget release day?*
- Tips on reading and understanding budget documents*

1 The Basics

What is the Federal Budget?

The Budget lays out the Federal Government's fiscal, economic and social priorities for the upcoming fiscal year (April 1 to March 31 in Canada). It is one of the most important documents released by the Federal Government each year. Prepared by the Department of Finance, with input (asks) from each line department, the budget is usually tabled in February or March of each year.

The government needs approval to change taxation or to spend funds. Therefore, once the budget is presented, the government will table "*ways and means*" (motions) about any proposed tax changes. This is followed by an implementation bill for approval by the House of Commons.

To spend funds, the government provides estimates to help Parliamentarians understand, scrutinize and debate its spending plans. It then puts forward an *appropriations bill* that allows for spending of public revenue. Since this does not happen until June, the House of Commons approves an interim supply of limited funds prior to the start of the fiscal year, authorizing expenditure for the first three months.

What is the Fall Economic Statement?

The Fall Economic Statement (or the Economic and Fiscal Update) provides the public with an update on fiscal items of importance, and is accompanied by a speech from the Minister of Finance. It is often delivered in November, about halfway through the budgeting cycle, to provide a market signal on the federal government's priorities and to reiterate fiscal promises and investments.

Sometimes referred to as a "mini-budget", **the Fall Economic Statement (FES) includes information on the federal government's spending priorities, provides an update on Canada's economy, and occasionally announces new funding commitments.** The FES may also include more information on how the government will follow through on commitments made in the previous budget.

For a more detailed breakdown of the federal budget process, [click here.](#)

2 Engaging in the Budget Process

Why the Budget Matters for Advocates

One of the best ways to understand a government’s commitment to action on an issue is to read their budget. For a policy priority to be realized, it will almost always require resources. This could take the form of funding allocations to establish a new agency, funding for programs within an agency, or funding for partners and infrastructure, for example. The budget can also provide information about the government’s ambition based on the level of funding that is being allocated (or not allocated) to a particular policy area, and over how many years.

For example, the **FY22 Budget** included the \$15-billion, five-year Canada Growth Fund (intended to leverage private investment for emission reductions and low-carbon industry development) and the clean-tech investment tax credit of up to 30 percent for solutions like battery storage and clean hydrogen.

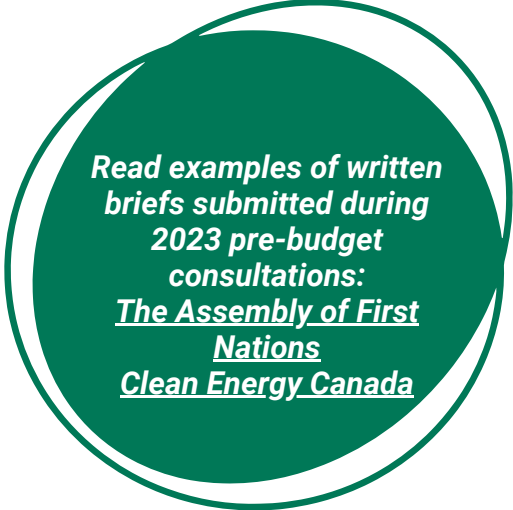
The Federal Budget: A Snapshot of Engagement Windows



2 Engaging in the Budget Process Cont.

Engagement Window: June-October

In the spring of the preceding year, the House of Commons Standing Committee on Finance launches **pre-budget consultations** with Canadians so it can make informed recommendations to the Minister of Finance on the upcoming budget. For example, in advance of the 2023 budget, the Committee invited **written briefs** in late June 2022 and heard from some of those who made submissions during meetings in October.



*Read examples of written briefs submitted during 2023 pre-budget consultations:
[The Assembly of First Nations](#)
[Clean Energy Canada](#)*

During this time, Ministers are also preparing their department's budgetary requests, to be sent to the Minister of Finance (usually due in November). Prior to this, **external organizations may request meetings with Ministerial staff to present recommendations they believe should be included in the list of the requests made to the Finance Minister**. Ministers are more likely to take meetings with other levels of government, larger organizations or coalitions than with community-based groups or individual advocates, though the latter can have an impact by amplifying the asks of larger organizations and submitting their own requests in writing to the responsible minister.

Engagement Window: November-February

After Department submissions go in, **advocates can direct their requests to Finance Canada and their local MPs**, many of whom hold local budget consultation meetings. The earlier requests are presented in this window, the better.

Also during this time (usually in November), the Fall Economic Statement (FES) is released and the Minister of Finance delivers a speech on the government's spending priorities. Organizations may be able to influence the Fall Economic Statement by communicating their expectations for government priorities and funding commitments in the preceding months. More commonly, however, **organizations respond to the emphasis, priorities and commitments included in the FES documents and speech by the Minister of Finance, with the aim of influencing decisions for the upcoming Budget**.

3 Budget Release Day

The Federal Budget is released in the spring each year, usually between mid-February and late-April. The Minister of Finance tables the budget in the House of Commons.

On the morning of its release, the media will have access to an embargoed (early, not-yet public) copy of the budget and can ask questions of Finance Department staff. They will also have several hours to review it. This enables them to begin in-depth reporting as soon as the budget is tabled - including reaching out to advocacy organizations for their reaction on spending decisions.

Even though funding decisions have been made by this point, **the budget's release is a good opportunity for environmental advocates to gain media attention, draw attention to their work and raise public awareness on the issues either championed or neglected by the budget.**

TIPS

to make your voice heard in budget reactions

- Connect with the media prior to the release of the budget. Send them spending priorities and recommendations that you hope the budget will address, as they may be able to ask government officials directly about those items in the media briefing.
- Prepare key statements, research, figures and comparisons ahead of the budget's tabling. This will help you to issue a timely statement, news release or update to your members - all more likely to be cited by the media who are eager to make their publishing deadlines by the end of the day.

4 Budget Advocacy: Framing Your Ask


Budget advocacy is the same as any other kind. You need to know your audience and be prepared. But first, know your ask: are you seeking **funding of a brand-new program or initiative? Renewal of funding that is about to expire? Or new funding to address delivery/integrity gaps in existing initiatives?**

When reaching out to your MP, try to anticipate their level of understanding of the issue you are advocating for. Your MP may be less familiar with the topic than the responsible Minister, so you might need to prepare a backgrounder document. **Be sure to find out what they did prior to election and if they sit on a relevant Parliamentary Committee** - never make assumptions about what they will or will not know.

Frame your ask in terms of their interests and priorities, not your own. MPs are responsive to the needs and interests of their constituents, so if you know that key voices or stakeholders in your community share your position, make this known. Better yet, ask these partners to sign onto a joint letter. Always be sure to follow up after any meetings with your MP, provide any subsequent material they requested, and thank them for their time.

It is also important to **inform and frame your priorities** based on what others in advocacy space are doing. For instance, if there is an organization whose work you support, ask them if they have made a budget submission that you can amplify or sign onto.

The **Green Budget Coalition** (GBC) brings together twenty-one of Canada's leading environmental organizations to develop joint recommendations about strategic fiscal opportunities for the federal government related to the environment. For example, the GBC's 2023 budget recommendations included detailed budget requests pertaining to climate mitigation and adaptation, biodiversity loss, environmental justice, and integrating climate and nature objectives across government budgetary decisions.



[Learn more about the Green Budget Coalition's 2024 Budget requests](#)

5 Reading the Budget

Budget documents are huge - often upwards of 200 pages. While the budget is broken down into distinct chapters (e.g. housing, the environment, etc.), all funding commitments related to the environment may not be contained to a single chapter and may be scattered throughout.

Important Notes:

Spending commitments are often made over multiple years, though these details are not always specified in speeches or press releases. Consult the budget itself to know how an initiative is being funded annually vs. overall to see how this compares to your recommendations.

Only new or additional funding commitments will appear in the budget. In other words, a commitment made in a previous budget will not be included, even if it is still being funded. (Example: The Active Transportation Fund received \$400 million over 5 years in Budget 2021. This commitment did not reappear in the 2022 Federal Budget.

Tips for Advocates:

- Before the budget is released, look through previous year's budgets to get a sense of the format and how to navigate it. This will help you assess the new one quickly.
- If you are not under time pressure for a quick response to the budget, look through the public remarks and responses from the media, big organizations, and other stakeholders to funding decisions. In many cases, they will dig into the details themselves and summarize their findings - including any concerns - to their followers or to the public.