

Cost estimate of Election Campaign Proposal

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Short title: Elimination of admission fees for Canada's National Museums

Description: The policy eliminates admission fees at 9 museums: Canada Agriculture and Food Museum, Canada Aviation and Space Museum, Canada Science and Technology Museum, Canadian Museum for Human Rights, Canadian Museum of History, Canadian War Museum, Canadian Museum of Immigration at Pier 21, Canadian Museum of Nature, and National Gallery of Canada

The cost of this policy represents the sum of all admission and programming revenues (at all 9 museums) that are going to be lost and that will have to be compensated.

Operating line(s): Other revenues

Data sources:	<u>Variable</u>	<u>Source</u>
	Admission and Programming Revenue	Annual Financial Statements and Corporate Plans Summaries

Estimation and projection method: We used the annual financial statements from each museum to estimate the impact of eliminating admission fees. We used the latest available Corporate Plan Summaries from each museum to obtain the forecasts of revenue from admission fees for each fiscal year and extend the series until 2023.

We used a weighted average of long-term trend (0.2) from 1999 or earliest available and an average of the last three forecasted years (0.8) from Corporate Plan Summaries to extend the series until 2028-2029.

The total cost is the sum of revenues from admission fees at all museums. We assume the government will compensate the museums for lost revenue through increased appropriations in order to maintain programming at current levels. The policy is assumed to be implemented on January 1st, 2020 and the cost for fiscal year 2019-2020 is adjusted accordingly.

Uncertainty assessment: The estimate has moderate uncertainty. The uncertainty arises from the significant variation in museums' annual revenues depending on popularity of certain exhibits, possible bias in Corporate Plan Summaries forecasts, and from the long horizon of the projections.

Cost of proposed measure

\$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Total cost	5	20	21	21	21	21	21	22	22	22

Estimates represents cost to BDC only. Total impact to EDC and FCC is estimated to be nil.
Estimates are presented on an accruals basis as would appear in the budget and public accounts.
Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.
“-” = PBO does not expect a financial cost