

Cost estimate of Election Campaign Proposal

Publication date:	2019-10-11	
Short title:	Extending the Investing in Canada Plan over a longer time period	
Description:	<p>Beginning in 2020-21, spread planned spending for the Investing in Canada Plan (ICP) over an eleven-year period, rather than the eight-year period currently contemplated. The revised spending envelope would only affect non-statutory spending (for example, the forecast Gas Tax Transfer and Goods and Services Tax rebate to municipalities would be unchanged).</p> <p>As well, ensure that there is adequate money available in each year to meet funding obligations already committed to by the Government. Finally, the party also requested that there be adequate uncommitted funding in specific fiscal years to create a spending envelope to fund new infrastructure needs.</p>	
Operating line(s):	Other transfers	
Data sources:	<u>Variable</u>	<u>Source</u>
	Provisioned and actual infrastructure spending	Infrastructure Canada
	Forecasted infrastructure spending	PBO Electoral Proposal Costing Economic and Fiscal Baseline
Estimation and projection method:	<p>Baseline ICP spending was taken from data underlying the PBO's 10-year Economic and Fiscal Baseline.</p> <p>The new spending profile was provided by the political party. It would spread the same nominal amount of money over a longer period (three additional years).</p> <p>The requestor also asked for confirmation that the new spending profile be sufficient to fulfill all existing funding commitments for projects and also provide for a minimum level of uncommitted funding that could be spent on emerging infrastructure priorities. To that end, PBO requested a list of all specific project commitments under the ICP and their planned spending profiles. Infrastructure Canada was unable to provide the data. As such, PBO completed the cost estimate using aggregate, partial estimates provided by Infrastructure Canada.</p>	
Uncertainty assessment:	<p>The estimate has moderate uncertainty.</p> <p>The estimate for potential savings is based on the PBO's Electoral Proposal Costing Economic and Fiscal Baseline, which is subject to uncertainty. Uncertainty is also introduced by the incomplete response by Infrastructure Canada regarding committed funding. That said, the proposed spending profile is substantially above the partial, aggregate figures provided. As such, it is likely that all existing commitments could be fulfilled. A behavioural response is not anticipated.</p>	

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	-	-1,291	-1,446	-3,376	-5,271	-6,726	-7,260	-4,746	-2,761	-1,309

Supplementary information

\$ millions	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
PBO forecast for the ICP*	11,897	13,188	13,343	14,376	15,271	15,926	17,260	16,746	16,761	17,309
New Spending Profile for the ICP*	11,897	11,897	11,897	11,000	10,000	9,200	10,000	12,000	14,000	16,000
Of which: new envelope specified by Party for other infrastructure priorities	-	1,500	2,000	4,000	3,000	3,000	4,000	5,000	7,000	7,000

Notes:

* Includes statutory and non-statutory spending.

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Negative numbers contribute to the budget balance, positive numbers subtract from the budgetary balance.

"-" = PBO does not expect a financial cost.