

Cost Estimate of Election Campaign Proposal

Publication date:	2019-10-11
Short title:	Launch the “Canadian Clean” Brand
Description:	Administration, regulation, and monitoring of a new label to promote Canadian products that have a low environmental footprint.
Operating line(s):	Would contribute to the line “Operating expenses” in Table A1.6 of the government’s Economic Statement.
Data sources:	PBO survey of costs to support standards and labels
Estimation and projection method:	<p>Two bodies in the Canadian federal government deal with labels that are widely used and are reference points for this proposal: Office of Energy Efficiency in the Department of Natural Resource; and the Canadian Food Inspection Agency. Both deal with the setting and enforcing of standards and labelling related to food and energy, respectively.</p> <p>A private-sector body also exists in Canada which is a major player in standards setting and labelling: CSA Group. Their portfolio includes standards for environmental/energy impacts of products consumers purchase. At an international level, the International Standards Organisation has the ISO 14020 series, which provides standards for environmental labels and declarations.</p> <p>For this proposal, the setting of the standard (“regulation” as outlined in the Description above) for “Canadian Clean” will be done within government. But, as with EnerGuide or Energy Star, service organisations would be licensed to carry out the evaluation of products under those standards. So, the cost of implementation would fall to the private sector and not government. Government will advertise and promote the label, but not provide services related to it.</p> <p>Moreover, enforcement of the label will largely fall to consumers and interested parties. Government is not assumed to engage in testing and enforcement beyond standard practise for other labels; i.e. as pertains to the Competition Act.</p> <p>In that context, the staffing cost would be limited to a maximum of 10 people. In the table below this cost has been rounded up to \$1 million per year. Those positions would be permanently involved with the label. Additional work will be required to initially set those standards and consult with industry. Moreover, the standard is likely to be revised and evolve in the future – requiring a permanent staff.</p> <p>An advertising campaign is included in the estimate. The cost would be up to \$5 million. This would help provide the incentive for industry to incur the cost of adopting the standard.</p>

Uncertainty
assessment:

The estimate has low uncertainty under the given assumptions. The uncertainty becomes wider if parameters are changed, such as an attempt to promote the standard internationally. Also, the cost to the private sector to obtain certification may lead to requests for some initial compensation.

Expenditures from proposed measure

\$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Total expenditures	-	10	10	1	1	1	1	1	1	1

Notes:

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