Assessing the reasonableness of the estimates of the fiscal plan underlying the 2018 election platform of the Ontario New Democratic Party (Ontario NDP)
Monday, April 16, 2018

Re: Assessing the reasonableness of the estimates of the fiscal plan underlying the 2018 election platform on the Ontario New Democratic Party (Ontario NDP)

The Institute of Fiscal Studies and Democracy (IFSD) is a non-profit and non-partisan Canadian think-tank, affiliated with the University of Ottawa, sitting at the nexus of public finance and state institutions. Election platforms are an important element of the fiscal ecosystem as they frame a party’s political commitments and fiscal plans. In this context, the IFSD believes that assessing the reasonableness of the estimates of the fiscal plans contained in election platforms is an important public good. As such, the IFSD would be pleased to provide an opinion on the costings underpinning the election platforms of all major political parties participating in the upcoming Ontario provincial election.

We caution readers that the provision of an opinion on the reasonableness of the estimates underlying the fiscal plan includes the reliance on third parties for information and analysis and that the testing of reasonableness of methodology, assumptions and data does not provide the same level of assurance as independent estimates of all measures (with relevant fiscal and taxation information). The focus of the IFSD’s analysis was on the reasonableness of the estimates and not on the content or direction of the policies.

We have two observations to the IFSD’s evaluation of the 2018 election platform of the Ontario NDP. First, it is understood that the baseline will be subject to change as a result of the Auditor General of Ontario’s evaluation, prior to the 2018 election, of the fiscal reference levels. Second, the platform includes revenue measures identified from the 2012 Commission on the Reform of Ontario’s Public Services, more commonly known as the Drummond Report. While the implementation of such measures is subject to both uncertainty and opportunity, the IFSD is not currently in a position to pronounce on the expected yield from such an exercise, though we look forward to seeing more detailed plans in the future.

In evaluating the 2018 Ontario NDP election platform, the IFSD reviewed the broad economic and fiscal assumptions underlying the plan as well as the approaches used to develop the costing of material individual revenue and expense measures. For the purposes of the review, materiality was set at a cumulative value of $1 billion for the first four years of the platform horizon. The IFSD believes that using the economic and fiscal assumptions from the 2018 Ontario Budget is a reasonable starting point for costing an election platform and that the costing of individual measures appears reasonable.

Kevin Page
President and CEO