

Q. Reference: CA-NP-99 - this reply indicates that there was an \$81,000 reduction (to \$1,108,000) in the clothing allowance forecast for 2010 based on historical levels of spending on this item. What were the levels of spending on clothing from 2004 to 2009 (f)?

A. Table 1 shows historical expenditures for the Tools and Clothing Allowance for 2004 through 2008.

Table 1
Tools and Clothing Allowance Historical Expenditure
2004 – 2008
(\$000s)

	2004	2005	2006	2007	2008
Actual Expenditure	962	899	822	876	1,018
GDP Deflator ¹	1.189	1.152	1.112	1.081	1.044
Inflation Adjusted Cost ²	1,144	1,036	914	947	1,063

The average inflation adjusted expenditure, in 2009 dollars is \$1,020,000.³

Table 2 shows the calculation of the forecast expenditures for 2009 and 2010 for the Tools and Clothing Allowance.

Table 2
Tools and Clothing Allowance Forecast Expenditure
2009 and 2010
(\$000s)

	2009F	2010F
Historical Average Expenditure	1,020	1,041 ⁴
FR Clothing – Incremental Costs	68	67
Estimated Expenditure	1,088	1,108

The forecast expenditure is based on the historical average expenditure for Tools and Clothing Allowance. An incremental amount is added to the historical expenditure recognizing recent increases in FR clothing costs and additional requirements.

¹ Source- Conference Board of Canada Provincial Forecast, April 21, 2009.

² 2009 dollars.

³ The one time expenditure of \$150,000 for the purchase of FR clothing is excluded from the 2008 actual expenditure for the purpose of determining an average historical expenditure.

⁴ The 2009 historical average expenditure is inflated by 2% based on the GDP Deflator for Canada.