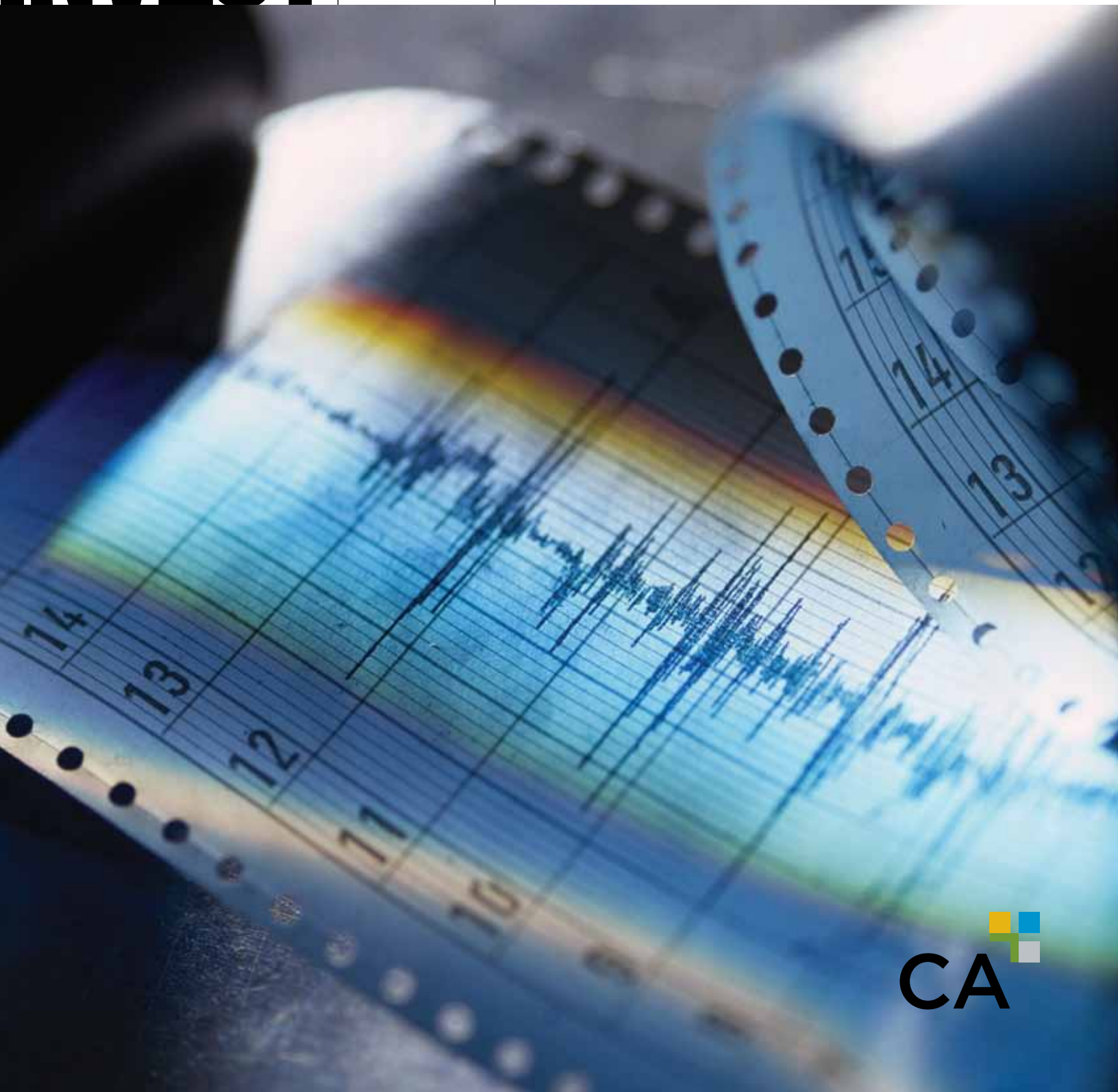


# LIVE WORK INVEST

# BC

# FIN

*2010 BC Check-Up*





## Global economic woes in 2009...

2009 was a very difficult year for the BC, Canadian, and world economies. Tremendous losses in the world financial markets in late 2008 led to the contraction of many national economies, reduced trade, and tighter lending practices that suppressed investment. In North America, the US fell into a deep economic trough in 2009, and, combined with a housing market crash, thousands of jobs were eliminated. Combined, these factors led to an unparalleled federal fiscal stimulus in the United States. The Canadian government quickly followed suit with a substantial stimulus package, as these economic developments were profoundly felt in Canada, whose economy marches in lock-step with that of the US. Canadian exports slumped dramatically last year, and the economy shed 277,000 jobs.



## Recession came after strong growth...

Between 2004 and 2008, vigorous economic activity in BC was fuelled by strong exports and domestic demand for our provincial output. At the same time, the build up to the 2010 Winter Olympics, rising real estate prices, and low interest rates stimulated investment, and together contributed to a massive five-year build up of jobs (196,700). In absolute terms, BC's job creation almost matched that of Ontario (209,600), which has a labour force triple the size of BC's.

During this time, world demand for BC's energy, mineral, and softwood lumber products boosted provincial economic growth and employment in the mining, oil and gas sector, construction sector, and trade sector. Between 2004 and 2009, these sectors grew by 13,100, 51,300, and 53,300 jobs respectively. While the US remains BC's primary trade partner, the growth of new markets in Asia helped to diversify the province's export mix during this time period. In addition, the province's stable investment climate attracted both private and public investment, which in turn generated many new jobs in construction, drawing skilled workers from elsewhere in Canada and the world.

## Toll of the recession...

The global recession of 2009 marked the end of this period of growth. BC lost almost 55,000 jobs, primarily in construction, forestry, manufacturing, and trade—and experienced one of the sharpest rates of job loss in Canada. BC's real GDP and total employment both declined by 2.4%, while the science share of employment declined by 0.6 percentage points (ppt). The decreases for BC's total, and science related employment, were both greater than the national average. The value of BC's exports per worker took a huge hit last year (-24.6%)—although the province fared well when compared with Alberta and the national average (-37.9% and -27.1% respectively), suggesting that our product mix was less vulnerable to commodity price cycles.

In 2009, BC's real hourly wage was \$23.89, compared to \$27.24 in Alberta, and \$24.48 in Ontario. Labour compensation per worker was even more skewed, at \$44,568 in BC, compared to \$64,516 in Alberta and \$48,612 across Canada. Finally, the female/male wage ratio in BC is lower than it was five years ago (from 0.87 in 2004 to 0.84 in 2009), in stark contrast to all other comparison jurisdictions, where it has generally risen.

The recession of 2008-2009 affected the different regions of the province to varying degrees. Development regions, and communities, with economies that are tied to commodities exports felt a greater impact from the downturn than those with a more diversified economy.<sup>1</sup>

<sup>1</sup> The Institute of Chartered Accountants of BC released the *BC Check-Up, Regional Edition* in June 2010. These eight reports compared the economic results of BC's development regions. The reports can be found at <http://www.bccheckup.com/bccheckup.php?cat=80>.



## Productivity still lags...

Despite the infusion of investment and human capital in the past five years, BC's labour force productivity stagnated. All of Canada suffers from a labour productivity gap with the US,<sup>2</sup> but BC's productivity has remained below the national average for many years. To a large degree, poor productivity explains the lower real wage in BC, as a less productive workforce affects profit margins and decreases the amount of capital that can be reinvested. This deterrent to investment, over the long-term, could erode BC's ability to compete against the US. One of the more notable results in this year's *BC Check-Up* was BC's productivity gain of 2.1%, the best result in our comparison. However, to some extent, this gain was the result of rationalization in the forest industry, which means that BC's turnaround in this critical indicator was linked to the loss of many jobs in a vulnerable sector, rather than increased investment in machinery and equipment and human capital.

Labour productivity rests not only on capital investment, but also the quality of the labour force itself. BC's labour force educational attainment is still lower (63.1%) when compared to Alberta, Ontario, and Canada as a whole (64.3%, 68%, and 66.4% respectively); it also grew slowly during the past five years (3.8% compared to the national average growth rate of 4.7%). And employment in the sciences declined in 2009, by 0.6 ppt, as layoffs occurred across many sectors where these skills are needed.

Improving productivity should be the cornerstone of any provincial economic action plan, as productive and efficient businesses have additional capital to reinvest in both their workforce and new machinery and equipment. A productive economy allows BC's businesses to better compete internationally and will drive the province's long-term economic health.

<sup>2</sup> John R. Baldwin, Wulong Gu, and Beiling Yan, *Relative Multifactor Productivity Levels in Canada and the US*, July 2008, Statistics Canada.

## The Future: Building on BC's economic basics...

In the first half of 2010, both the US and Canadian economies improved, with positive real GDP growth and renewed job creation. In BC, both export values and the number of jobs were up: in May 2010, the value of exports was 30.8% higher when compared to May 2009; and, between February and June 2010, the total number of employed was, on average, 1.9% higher than in the same time period in 2009.

Rising mineral and resource prices in the global market are paving the way for a rebound in the provincial export sector. Nevertheless, it is still premature to say whether the BC and North American economies are now fully on their way back to steady growth. Many analysts are apprehensive about what lies ahead in the next year with the prospect of a "double-dip" recession in the United States, and concern over burgeoning government debt in some European countries.

Although the economic news is better than it was a year ago, the data tells us that there are certain fundamental weaknesses in the economy that need to be addressed if BC is to achieve its full economic potential over the longer-term. Our province enjoys the good "basics" of political stability and prudent fiscal management; a wealth of physical, capital, and human resources; and growing world recognition as a trader.

BC needs to continue to attract and retain businesses, and foster innovation and ideas in order to draw and keep new skilled workers. Incentives, less red tape and bureaucracy, and revised business taxation will all contribute to this. The HST is a case in point—the Institute and other leading business and industry associations repeatedly called on the provincial government to implement this tax, which is forecast to boost capital investment and create jobs.

But BC's industries cannot compete in commodity markets against producers with lower costs and greater efficiencies. BC needs to better utilize its existing resources and "add value" to its exports to make it less vulnerable to future commodity price cycles.

Exports presently account for approximately one third of BC's GDP, and are a critical determinant of our provincial wealth.<sup>3</sup> But BC's export industry—both its product mix and markets—is shifting. The share of softwood lumber and forest products, BC's traditional major export group, declined significantly, while the volume of coal and other exports rose correspondingly. And, while Japan's market share is stagnating, China and other Asian Pacific countries are now emerging as major trading partners. In light of these profound transformations, our focus in this year's *BC Check-Up* is on BC's export industry and how it is shaping up now and in the future.

<sup>3</sup> BC Stats, *Exports*, October 2008.



# BC's Export Industry: Today and Tomorrow

Exports account for over 40% of BC's Gross Domestic Product (GDP), making our province especially sensitive to developments in international markets that affect trade or consumption patterns.

For example, in 2009, the value of BC's coal exports to China rose by 363%; this huge increase was mainly the result of mine closures throughout China in May 2008. While coal exports soared, the value of wood product exports to the US slumped by 30%, due to rock bottom housing starts in that market. Both resource industries were deeply affected by external factors and show how vulnerable our economy remains to resource commodity cycles.

## What happened in 2009?

Last year's financial crisis fuelled a worldwide economic downturn. Asset values fell dramatically in both developed and emerging economies, depressing household wealth and consumer demand. Uncertainty prompted both businesses and individuals to pull back investment and expenditures, further suppressing the demand for consumer and capital goods. This was further aggravated by ongoing credit disruptions.

All of these factors deeply affected the economies of many exporting countries and regions and between August 2008 and March 2009,<sup>4</sup> the value of world trade slumped 31%. Although a global recovery seems to be underway, there are still many who question whether the acute phase of the financial crisis has truly passed.

BC's economy did not escape unscathed—in 2009, real GDP declined by 2.4%, driven by the contraction in both export and domestic markets,<sup>5</sup> and the strong Canadian dollar further suppressed exports. BC's greatest export losses were in its traditional, resource-based products—forest products, metallic minerals, energy, and machinery and equipment.

In 2009, BC's forest products sector, which accounts for one third of BC's exports, took its worst battering in many years. Total exports in this sector declined by 24%, displacing thousands of workers in harvesting and manufacturing.

BC's energy sector was also hard hit in 2009, with its total export value plunging 30%.<sup>6</sup> Natural gas, coal, and electricity exports all experienced a downturn in international shipments, although growing demand from China offset some of the losses in the coal market. The value of shipments for BC's other exports also plunged: metallic minerals were down 25%, fabricated metal declined 31.5%, and machinery and equipment dipped 19.3%.

## The decline in exports affected many industries

The contraction in global trade affected not only BC producers, but those industries directly and indirectly related to export activity throughout the province. The effects become clear when looking at employment figures.

In 2009, BC lost 23,600 jobs in manufacturing—a large proportion of these were in traditional resource-based commodities. Reduced worldwide lumber demand, especially in the US housing market, led to the subsequent temporary, or permanent, closure of dozens of sawmills and pulp mills. The mining sector also saw layoffs, such as the Willow Creek coal mine near Chetwynd. While the effects of the export slowdown were most profoundly visible in the smaller, resource-dependent communities, it should be noted that the Mainland/Southwest absorbed 70% of the loss in manufacturing jobs.

There was a corresponding loss of 12,800 jobs in the provincial transportation and warehousing sector. Freight shipments were down at ports, airports, road, and rail. In November 2008, Metro Vancouver's foreign and domestic shipments plunged, and stayed at lower levels throughout 2009.<sup>7</sup> Between 2008 and 2009, cargo handled at the Vancouver Airport declined by 6.3%. After several years of strong growth, container traffic through Port Metro Vancouver declined by 10% to 15%, almost one fifth of this was due to a decline in loaded inbound containers.<sup>8</sup>

<sup>4</sup> World Bank, *Prospects for the World Economy*, January 2010.

<sup>5</sup> TD Bank Economics, *Provincial Economic Forecast*, November 3, 2009.

<sup>6</sup> BC Stats, *BC Origin Exports to all Countries*, April 2010.

<sup>7</sup> Metro Vancouver, *Service Sector – Transportation*, January 2010.

<sup>8</sup> BC Stats, *Exports*, February 2010.

The one exception was Prince Rupert, where shipments to the new container facility grew 46% in 2009, although it was still operating at well below full capacity.<sup>9</sup> The loss of transportation/warehousing jobs occurred throughout most of BC,<sup>10</sup> but the Mainland/Southwest again took the biggest hit, accounting for 60% of lost jobs.

To sum up, BC's dependency on exports made it highly vulnerable to the recession of 2008-2009. The slowdown eliminated thousands of jobs, and, of all jobs lost in BC in 2009, 43% were in the manufacturing sector, while transportation and warehousing accounted for another 23%.

## Some positive developments

While most BC industries saw a decline in the value of their exports in 2009, a few products held their own. The export value of agricultural products, fish products, and some machinery and equipment remained stable, or took only a small dip; while exports of chemicals and chemical products to the US, and energy products into China grew. As mentioned earlier, the volume of traffic through the Prince Rupert Port grew considerably last year.

Perhaps the most significant positive development in BC's export sector was the continued growth of the Mainland Chinese market. In 2009, China's growing population and industrial production boosted its demand for foreign resource-based commodities. Consequently, BC exported greater volumes of cedar shakes and shingles, fish products, metallic mineral products, and coal. China is clearly emerging as a new major trading partner for BC.

## New markets gain prominence

While the US is still BC's most important trading partner, during the past decade its share of BC exports has declined, from 67% in 1999, to 52% in 2009.<sup>11</sup> During this same time period, the Pacific Rim has grown in importance, with its share of BC exports growing from 24.5% to 36.2%. The Pacific Rim's market (excluding Japan) grew from 9.1% in 1999, to 22.4% in 2009, with China and South Korea accounting for most of this growth.

Our export product mix is also changing, but it is still skewed towards the export of raw materials. Between 2000 and 2009, the value of forestry exports declined from almost 50% of BC's export mix to 30%; whereas the export share of energy products grew from 18% to 27%. Unfortunately, the share of higher value-added products, like machinery and equipment, has remained fairly constant at about 11%.

### BC Origin Merchandise Exports to All Countries (\$ millions)<sup>12</sup>

	2000		2008		2009	
	\$ million	% of total	\$ million	% of total	\$ million	% of total
Wood, pulp & paper products	\$ 16,591	49%	\$ 10,107	30%	\$ 7,602	30%
Metallic minerals	\$ 1,836	5%	\$ 3,321	10%	\$ 2,491	10%
Energy products	\$ 6,130	18%	\$ 9,671	29%	\$ 6,833	27%
Agriculture & fish products	\$ 2,125	6%	\$ 2,484	7%	\$ 2,432	10%
Machinery & equipment	\$ 3,579	11%	\$ 3,377	10%	\$ 2,725	11%
Other	\$ 3,378	10%	\$ 4,195	13%	\$ 3,108	12%
Total	\$ 33,639	100%	\$ 33,155	100%	\$ 25,191	100%

Trade in services is also an important component of shipments from BC. BC Stats data shows that in 2008, services accounted for approximately 22% of BC's international exports and 58% of BC's exports to other provinces.<sup>13</sup> Services account for 75% of BC's economy, making it the most service-oriented provincial economy in Canada.<sup>14</sup>

Tourism is one of BC's most important service industries, and comprised 4% of BC's provincial GDP in 2006.<sup>15</sup> Approximately half of the workers employed in tourism are in the food and accommodation sector, with the rest

<sup>9</sup> BC Stats, *Exports*, February 2010.

<sup>10</sup> Only in the Northeast Development Region was there a slight increase in transportation-related employment.

<sup>11</sup> BC Stats, *BC Origin Exports to Selected Destinations*, April 2010.

<sup>12</sup> Customs based; excludes services and shipments to other provinces.

<sup>13</sup> BC Stats, *BC International and Interprovincial Trade Flows*. Uses Balance of Payment data to 2008.

<sup>14</sup> Michael Goldberg, *Building the Economic Base: Tradable Services*, October 2009.

<sup>15</sup> BC Stats, as cited in PriceWaterhouseCoopers, *Opportunity BC 2020: Tourism*, Report for the Business Council of BC, 2009.

in transportation, retail, and other services.<sup>16</sup> Growth in tourism has been positive over the past decade, but this sector is vulnerable to a myriad of economic shocks, such as the September 11th attack and SARS. Over the past decade, the number of US visitors has declined, European visits to BC have remained at approximately the same level, while the most promising market appears to be the Asia-Pacific, in particular China, due to a growing middle class and fewer travel restrictions, as Canada received Approved Destination Status with China in June 2010.

Another important segment of service sector exports is “tradable services”. This category is broad, with several sub-industries. It is not well documented; however recent work shows that BC is well positioned to boost its exports of services, especially in education and health care. BC already attracts many foreign students at all levels, from primary to post-secondary, particularly from Asian countries, and the export of these types of tradable services boosts government revenues. This sector also includes transportation and logistics, architecture, and engineering.<sup>17</sup> Given the volatility of resource markets, growing the tradable services sector will diversify BC’s export mix and make it less vulnerable to commodities cycles.

## Outlook for BC Exports

By the first quarter of 2010, global consumer and industrial demand saw some improvement, and, barring any further shocks or a double dip recession, export markets are expected to improve over the next two years. Should the recovery take hold, BC’s commodities exports stand to benefit.

The demand for forest products is likely to improve through 2010, particularly for lumber. However, in 2011, another downturn in pulp prices is forecast, while lumber and newsprint should recover at a slower rate.<sup>18</sup> Energy prices (oil, natural gas, and coal) are predicted to rise by 20% to 30% in 2010, then at a much slower rate in 2011.<sup>19</sup> The price of non-precious metals and minerals are projected to continue improving in the second quarter of 2010, but falter in the latter half of the year.

While export prices are forecast to improve, there are concerns about the longevity of the stimulus-driven American recovery, inflation in the Chinese economy, and the Euro zone crisis, and it is not clear what longer-term effects these factors will have on investor confidence, economic growth, and the export market. Nevertheless, Canada’s economy fared well during the recession of 2008-2009, and it has the fundamentals in place to thrive in the global export market in the years to come.

BC is also well situated, and the growth of the Asian economic powerhouses—particularly China, Korea, and India—will continue to fuel markets for natural resource commodities, with BC exporters as the beneficiaries. The US will continue to be a major trading partner with BC, but its market share is expected to decline, creating a more diverse market for the province.

Looking to the future, BC producers and exporters must continue to evolve value-added production. Equipment and machinery, as a share of BC’s exports, has not grown in the past decade. While some value-added niches have developed in agricultural, fabricated metal, plastics, chemicals, and wood/paper products, these still account for a small share of overall exports. With demand pressures for raw materials from emerging economies, BC producers still need to develop value-added products and maximize the return on their own resources.

Services will continue to be an important BC export, and tradable services present a significant export opportunity, particularly in cities.<sup>20</sup> Worldwide, there is a growing trend of trading services in health care and education. In addition, BC has already garnered a strong reputation with the international success of its engineering and architectural talent, and there is room to grow in these sub-industries.

As for transportation and logistics, BC’s land, sea, and air transportation hubs already support a large transportation industry and, while volume declined in 2009, it is expected to recover and grow.

<sup>16</sup> BC Stats, as cited in PriceWaterhouseCoopers, *Opportunity BC 2020: Tourism*, Report for the Business Council of BC, 2009.

<sup>17</sup> Goldberg, Op. cit.

<sup>18</sup> TD Bank Financial Group, Quarterly Commodity Price Report, April 28, 2010.

<sup>19</sup> Ibid. All commodity price forecasts are from TD Bank.

<sup>20</sup> Goldberg, M. Op. cit.



# BC Check-Up indicators

## work

**Educational attainment** is expressed as the percentage of the labour force aged 25 to 64 with post-secondary accreditation.<sup>21</sup>

**Unemployment rate** is represented by the number of unemployed persons as a percentage of the labour force, which is defined as people aged 15 and older who are employed or actively looking for work.

**Real average hourly wage** captures labour force average hourly earnings, for hourly and salaried employees, net of inflation.

**Pay equality** is represented by the female/male hourly wage ratio for full-time workers in the labour force.

**Job creation** is represented by the annual change in the number of employed workers.

## invest

**Real labour productivity** measures the efficiency of the workforce (how much output can be produced in one hour), and is calculated as the ratio of real GDP to total hours worked by the labour force.

**Proportion of high technology jobs**<sup>22</sup> reflects the relative dominance of technological jobs in the labour force, and correlates with current innovation activity.

**Exports per worker** is the ratio of the inflation-adjusted value of exports to the number of workers (or exports per capita). Exports include shipments to other countries and other provinces (both goods and services are included).

**Provincial government net financial liabilities-to-GDP ratio** measures the fiscal position of a provincial government.<sup>23</sup>

## live

**Real Labour Compensation per Employee** is remuneration received by an individual for work done, in the form of wages or salary, and including employers' social contributions, before deducting government transfers.<sup>24</sup>

**Consumer Debt** includes both personal debt and mortgage debt.

**Shelter Costs as a Percentage of Total Household Expenditures** is the percentage of household income spent on shelter, and reflects the trend in actual household purchasing power.

**Youth at risk** is defined as the percentage of the labour force aged 19 to 24 lacking a high school diploma.

**Health Care** is measured by two indicators:

- Provincial government health care expenditure per capita;<sup>25</sup> and,
- Canada Health Consumer Index ranking among the provinces.<sup>26</sup>

## About the BC Check-Up

Since 1999, the Institute of Chartered Accountants of BC (ICABC) has used selected economic and social indicators to evaluate BC as a place to work, invest, and live. In order to provide context, BC's progress levels are compared with those of Alberta and Ontario, as well as Canada as a whole. The data is obtained from Statistics Canada, and supplemented with information from other credible published sources.

<sup>21</sup> Post-secondary certificate, diploma, or higher, which includes diploma programs at colleges, as well as trades and technical certification programs.

<sup>22</sup> Number of workers employed in natural/applied sciences as a percentage of the total labour force.

<sup>23</sup> Note that this is a different concept from taxpayer-supported debt, which we have used in past years.

<sup>24</sup> <http://www.statcan.gc.ca/nea-cen/gloss/iea-crd-eng.htm>

<sup>25</sup> Uses Statistics Canada data. We have chosen this over the other widely accepted source of health care data in Canada, the Canada Institute for Health Information (CIHI). Both sources are entirely credible, but employ different and irreconcilable methodologies, including different reporting periods (fiscal vs. calendar), purposes (government spending only vs. public and private spending), scope, and presentation. Statistics Canada is used as our principal source to ensure consistency with previous years' reports.

<sup>26</sup> Developed by the Winnipeg-based Frontier Centre for Public Policy in collaboration with the Health Consumer Powerhouse.

# work

Three out of five of BC's work indicators improved in 2009: educational attainment (0.4 ppt), real wage growth (2%) and pay equity for women (0.4%). However, even with this improvement, BC ranked last in educational attainment and real wage rate when compared to Alberta, Ontario, and Canada. In addition, BC proportionally lost as many jobs as Ontario in 2009, as both provinces saw their number of jobs decline by 2.4%.

In 2009, BC's unemployment rate increased by 3 percentage points (ppt), which was higher than the national average increase of 2.2 ppts. However, due to BC's record low unemployment rates of recent years, the actual unemployment rate was only 7.6%, second place behind Alberta, at 6.6%. The table below shows how BC compared with Alberta, Ontario, and the national average on our five key indicators over one and five-year periods.

## Summary of WORK Key Indicators

	BC	AB	ON	CAN
Educational Attainment	<b>63.1%</b>	64.3%	68.0%	66.4%
Unemployment Rate	<b>7.6%</b>	6.6%	9.0%	8.3%
Real Wage Rate	<b>\$23.89</b>	\$27.24	\$24.48	\$24.06
Female/Male Wage Ratio	<b>0.840</b>	0.805	0.879	0.867
Job Creation/Loss	<b>-54,900</b>	-25,200	-161,200	-276,900

2009 Value

<i>Educational Attainment</i>	<b>0.4 ppt</b>	2.0 ppt	0.5 ppt	0.8 ppt
<i>Unemployment Rate</i>	<b>3.0 ppt</b>	3.0 ppt	2.5 ppt	2.2 ppt
<i>Real Wage Rate</i>	<b>2.0%</b>	3.6%	1.9%	2.0%
<i>Female/Male Wage Ratio</i>	<b>0.4%</b>	1.1%	2.4%	1.4%
<i>Job Creation/Loss</i>	<b>-2.4%</b>	-1.3%	-2.4%	-1.6%

2008-09 % Change

<i>Educational Attainment</i>	<b>3.8 ppt</b>	5.4 ppt	5.3 ppt	4.7 ppt
<i>Unemployment Rate</i>	<b>0.4 ppt</b>	2.0 ppt	2.2 ppt	1.1 ppt
<i>Real Wage Rate</i>	<b>6.7%</b>	10.1%	4.9%	6.3%
<i>Female/Male Wage Ratio</i>	<b>-3.0%</b>	2.0%	4.3%	2.0%
<i>Job Creation/Loss</i>	<b>9.5%</b>	13.1%	3.3%	5.7%

2004-09 % Change

### Notes:

A positive increase in the value of these indicators (except for unemployment levels, where a decrease indicates improvement) means an improvement in the quality of the province's work environment

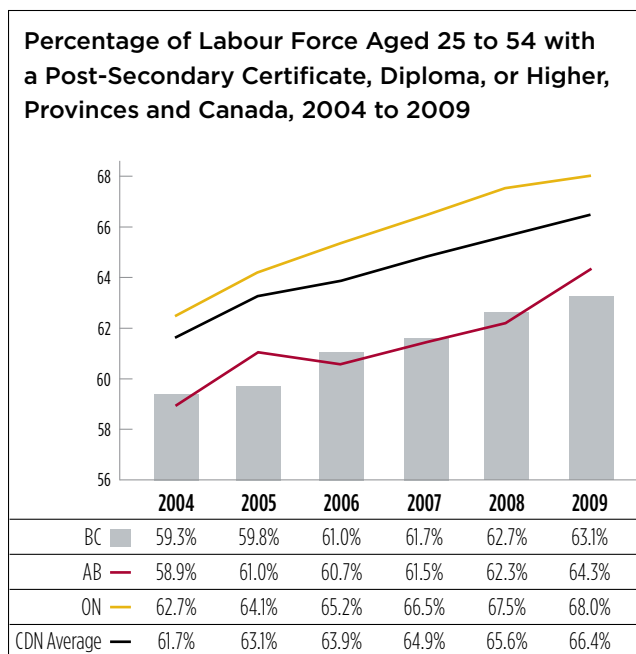
ppt = percentage point

## Educational Attainment

Educational attainment measures the percentage of the labour force, aged 25-54, that has received some level of post-secondary education.<sup>27</sup> A higher level of labour force educational attainment enhances labour productivity and economic competitiveness.

In 2009, BC's level of educational attainment rose slightly, by 0.4 ppt, to reach 63.1%.<sup>28</sup> This growth rate was on a par with that of Ontario, but the rate itself remained below that of Ontario (68%) and the national average (66.4%). Alberta had the highest growth rate in this indicator (2 ppt, to reach 64.3%).

Between 2004 and 2009, BC's educational attainment growth rate was 3.8 ppt, while Alberta and Ontario's were 5.4 and 5.3 ppt respectively.<sup>29</sup> Both BC and Alberta still have considerable ground to cover in order to catch up to the national average in this indicator, but it appears that Alberta is advancing more quickly as its labour market rapidly draws a large number of professional and technical skilled workers to its oil and gas sector.



Source: Statistics Canada, *Labour Force Survey*

<sup>27</sup> Post-secondary education includes post-secondary certificates or diplomas (including skilled trades training), bachelor degrees, and/or masters and higher level degrees.

<sup>28</sup> Labour Force Survey 2009.

<sup>29</sup> Ibid

<sup>30</sup> Ibid

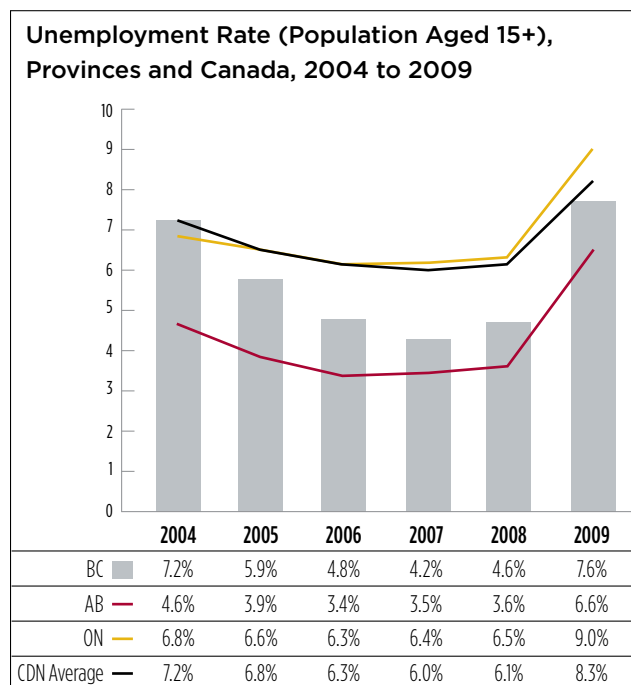
<sup>31</sup> Labour Force Survey 2009

## Unemployment Rate

The unemployment rate measures the number of unemployed persons as a percentage of the population aged 15 and older who are employed or actively looking for work. In 2009, BC's unemployment rate increased by 3 ppt, to 7.6%. Alberta experienced the same increase, which pushed their unemployment rate to 6.6%. While BC and Alberta experienced sharper increases in unemployment than Canada and Ontario, the latter regions still had weaker labour markets overall, with unemployment rates of 8.3% and 9% respectively.<sup>30</sup>

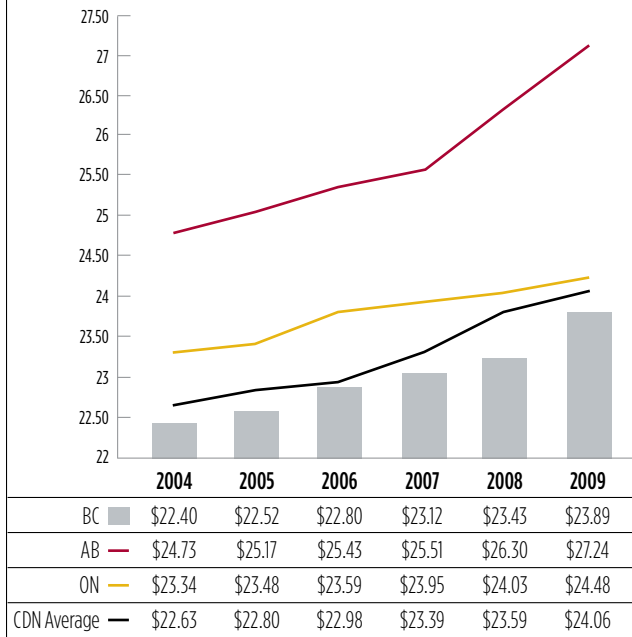
Over the last five years, BC had the smallest increase of all jurisdictions to its unemployment rate, rising a modest 0.4 ppt, as compared to Canada, Alberta, and Ontario, which increased by 1.1 ppt, 2 ppt, and 2.2 ppt respectively. BC's low growth in unemployment was due to job creation (197,000) keeping pace with labour force growth (223,000). In comparison, Ontario's anaemic job growth (210,000) was overwhelmed by the increase (400,000) in its labour force.<sup>31</sup>

Over the last five years, all of the comparison jurisdictions have seen a decline in the ratio of goods to service jobs: this trend is most dramatic in Ontario where the ratio dropped 23.2%, versus the 8.3% decline in BC and 7.7% drop in Alberta. That said, service jobs count for 75.4% of total employment in BC, higher than the national average (71.5%), and Alberta (63.7%).



Source: Statistics Canada, *Labour Force Survey*

### Real Average Hourly Wages (2009\$), Provinces and Canada, 2004 to 2009



Source: Statistics Canada, Survey of Employment, Payrolls and Hours and Consumer Price Index

### Real Wages

The real wage indicator compares the change in average nominal wages for both hourly and salaried workers<sup>32</sup> against the increase in inflation reflected in the provincial consumer price index.

In 2009, BC's real wage (\$23.89/hr) grew 2%, and ranked lowest among the comparison jurisdictions—Ontario (\$24.48), Canada (\$24.06), and Alberta (\$27.24/hr). The utilities sector in BC paid the highest hourly wage in 2009 (\$37.60/hr), followed by the mining, oil and gas sector (\$35.91/hr). Conversely, accommodation and food services was the lowest paying sector (\$12.53/hr).<sup>33</sup>

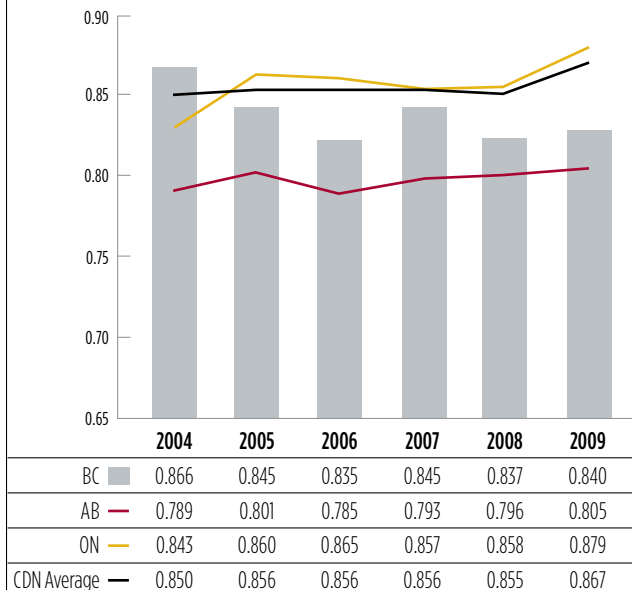
Since 2004, BC's real wages increased by 6.7%, due to strong wage growth in the professional, scientific and technical services and the mining, and oil and gas industries. Real wages in Alberta increased 10.1% over the same time period, due to booming oil and gas activity and associated construction, which created labour shortages and pushed up wages. In contrast, Ontario's massive job losses in the high-paying manufacturing sector have restrained the average wage increase to 4.9%.

### Pay Equality

In 2009, BC's female-to-male wage ratio increased slightly, by 0.4%, to reach 0.840. Ontario, Alberta, and the national average grew by 2.4%, 1.1%, and 1.4% respectively. In absolute terms, BC's earnings ratio continued to lag those of Ontario (0.879) and Canada (0.867).

Between 2004 and 2009, the earnings ratio in BC declined by 3%, while the other jurisdictions saw increases of 2% or higher during the same period.<sup>34</sup> While Alberta still had the lowest earnings ratio in 2009 (0.805), it has seen steady gains since 2006. In contrast, BC has lost its high ranking in this regard, and continued to stagnate after men's wage growth outstripped that of women in 2008. While female participation in the labour force has stabilized over the past five years, BC's share of women in management positions has declined since 2004. Many high-paying male-dominated jobs were lost in 2009's economic recession, but this was not reflected in the earnings ratio.

### Female-to-Male Earnings Ratio (Ages 15+), Provinces and Canada, 2003 to 2008



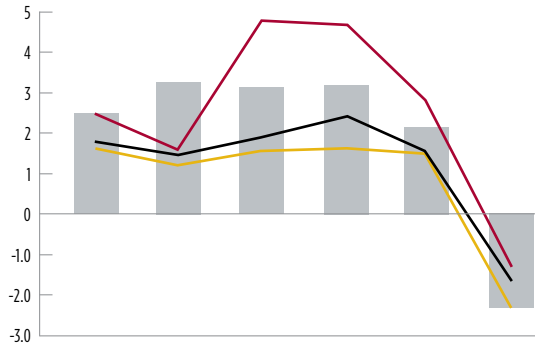
Source: Statistics Canada, Labour Force Survey

<sup>32</sup> Salaried workers' wages have been converted to an hourly equivalent to create the single figure for all workers.

<sup>33</sup> Survey of Employment, Payrolls and Hours 2009

<sup>34</sup> Labour Force Survey 2009

**Annual Growth in Total Employment (Ages 15+), Provinces and Canada, 2004 to 2009**



	2004	2005	2006	2007	2008	2009
BC	2.4%	3.3%	3.1%	3.2%	2.1%	-2.4%
AB	2.4%	1.5%	4.8%	4.7%	2.8%	-1.3%
ON	1.7%	1.3%	1.5%	1.6%	1.4%	-2.4%
CDN Average	1.8%	1.4%	1.9%	2.3%	1.5%	-1.6%

Source: Statistics Canada, *Labour Force Survey*

**Job Creation/Loss**

Job creation, or loss, measures the absolute change in the number of employed workers within each comparison jurisdiction. In 2009, BC lost 54,900 jobs, a 2.4% decline from 2008. BC's rate of job loss tied Ontario for last place, as both were significantly worse than the national average and Alberta (-1.6% and -1.3% respectively). The bulk of BC's job losses were in construction (-25,500 positions), manufacturing (-23,600), and transportation & warehousing (-12,800).<sup>35</sup>

The construction job losses were primarily seen in the residential sector, which saw activity plummet by 26.7%, from \$11.6 billion in 2008 to \$8.5 billion in 2009.<sup>36</sup> The global economic slowdown also affected virtually all of BC's manufacturing industries resulting in an 18%, or \$7.1 billion, decline in manufacturing shipments in 2009. The decline in manufacturing and construction in turn impacted the province's transportation and warehousing sector causing the job losses for this industry. A portion of the province's losses were offset by gains in BC's health care and retail sectors, which added 14,700 and 13,300 jobs respectively.<sup>37</sup>

Over the last five years BC created 197,600 jobs, almost the same number as Ontario's 209,600 despite the latter economy being three times larger. Between 2004 and 2009, BC's job growth rate of 9.5% was almost double the national growth rate of 5.7%, and three times Ontario's growth rate of 3.3%. Alberta's strong growth of 13.1% took top spot and, together with BC, cemented the west as the country's top job generators with the two provinces accounting for almost half (47%) of the new jobs in Canada over the last five years.



<sup>35</sup> Labour Force Survey 2009  
<sup>36</sup> Construction Sector Council, February 2010  
<sup>37</sup> Labour Force Survey 2009

# invest

In 2009, BC's real GDP contracted by 2.4%, as its key industries took a hit in the export market. Combined with high levels of financial uncertainty, this significantly dampened the provincial investment climate in 2009. The total value of proposed investments on capital and machinery in BC declined from \$46.9 billion in 2008, to \$40.3 billion in 2009.<sup>38</sup> BC's invest indicators performed only marginally better than they did in the previous year. BC's productivity gains ranked first, with an increase of 2.1%—well above the national average of 0.5%—although the overall level of productivity in BC continues to lag. BC's change in government debt to GDP ranked second, with a 3.3 percentage point (ppt) increase.

Exports were hard hit everywhere, and BC's value of exports per worker declined 24.6%. In addition, the share of science-related jobs in BC declined by 0.6 ppt, and BC had the lowest absolute level of science-related employment, 6.1% of the labour force. The table below shows how BC compared with Alberta, Ontario, and the national average on our four key indicators over one and five-year periods.

## Summary of INVEST Key Indicators

	BC	AB	ON	CAN
Productivity	<b>39.1</b>	47.5	42.0	41.2
Employment in the Sciences	<b>6.1%</b>	8.2%	7.4%	7.1%
Value of Exports per Worker	<b>\$10,302</b>	\$32,780	\$17,504	\$18,202
Government Net Debt as a % of GDP	<b>15.6%</b>	-8.6%	34.1%	37.6%

2009 Value

<i>Productivity</i>	<b>2.1%</b>	-0.5%	0.8%	0.5%
<i>Employment in the Sciences</i>	<b>-0.6 ppt</b>	0.6 ppt	-0.2 ppt	0.0 ppt
<i>Value of Exports per Worker</i>	<b>-24.6%</b>	-37.9%	-23.6%	-27.1%
<i>Government Net Debt as a % of GDP</i>	<b>3.3 ppt</b>	0.6 ppt	5.9 ppt	4.8 ppt

2008-09 % Change

<i>Productivity</i>	<b>3.6%</b>	0.6%	4.1%	4.0%
<i>Employment in the Sciences</i>	<b>0.2 ppt</b>	1.0 ppt	0.5 ppt	0.5 ppt
<i>Value of Exports per Worker</i>	<b>-26.2%</b>	-5.2%	-33.8%	-18.9%
<i>Government Net Debt as a % of GDP</i>	<b>-1.6 ppt</b>	-0.6 ppt	6.8 ppt	-5.0 ppt

2004-09 % Change

### Notes:

A positive increase in the value of these indicators (except for unemployment levels, where a decrease indicates improvement) means an improvement in the quality of the province's work environment

ppt = percentage point

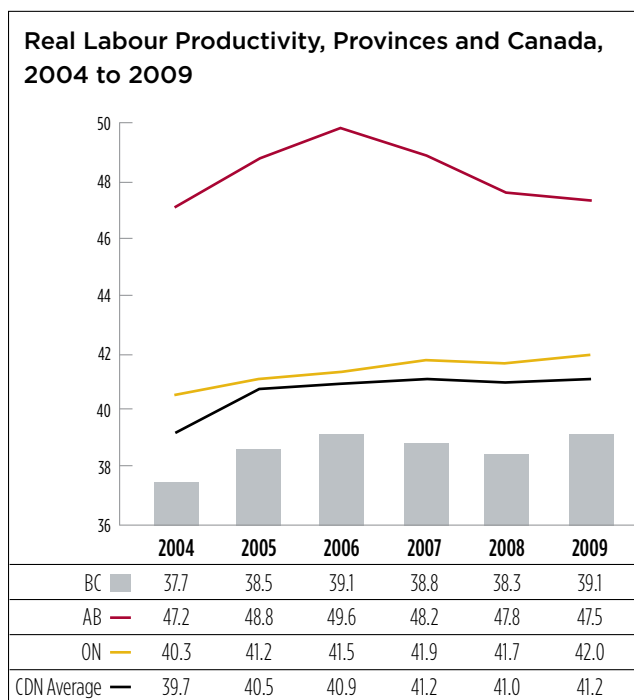
<sup>38</sup> Statistics Canada, *Public and Private Investment Intentions*, Cat. 61-205-X. Expressed in \$1997.

## Productivity

Real labour productivity measures the efficiency of the workforce, or the amount of real GDP per hour worked.<sup>39</sup> BC's labour productivity rose by 2.1% in 2009, the largest gain of any comparison jurisdiction. Ontario's productivity increase was the second highest, at 0.8%, while Canada realized a 0.5% increase. In contrast, Alberta saw its labour force productivity decline by 0.5%.

BC's productivity improved because the decline in overall provincial output was outstripped by the loss of jobs, and therefore hours worked. This was also the story for Ontario and Canada as a whole. Alberta also saw reduced output, but it declined faster than hours worked, resulting in a slight productivity loss.

Between 2004 and 2009, BC's productivity rose by 3.6%. This was ahead of Alberta's five year gain of 0.6%, but lagged the productivity improvements of Ontario and Canada (4.1% and 4% respectively).



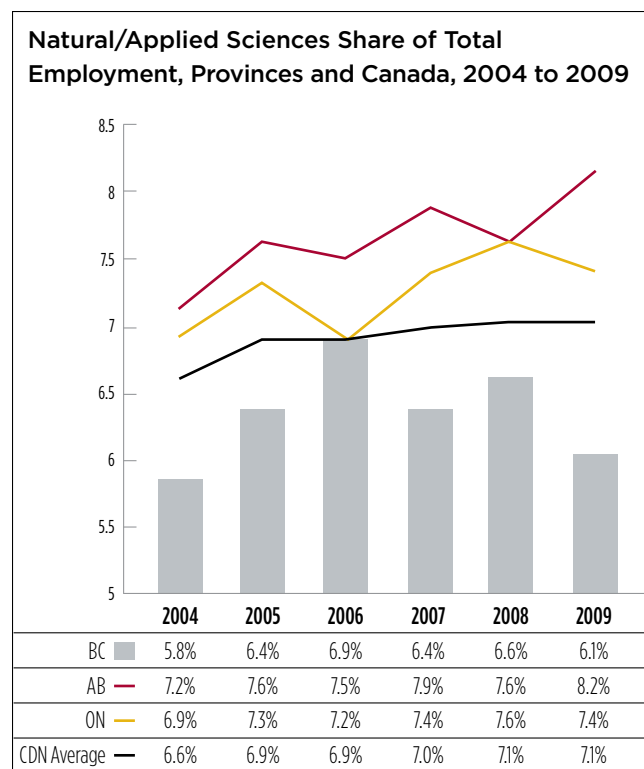
Source: Statistics Canada

## Employment in the Sciences

The labour market share of workers in the natural and applied sciences captures the degree of technological dissemination throughout the workforce. In 2009, 6.1% of BC's labour force was employed in science-related occupations, which was a 0.6 ppt decline from the previous year.<sup>40</sup> This was the lowest percentage of all our comparison jurisdictions, with Alberta leading at 8.2%, and Ontario and Canada slightly lower at 7.4% and 7.1% respectively. In 2009, BC lost 16,100 workers in science-related professions, including 4,700 jobs in BC's professional, scientific and technical services industry.<sup>41</sup>

Between 2004 and 2009, this indicator rose by 0.2 ppt in BC, the slowest increase of all comparison jurisdictions. Alberta's share of employment in the sciences grew by 1 ppt during this time, while both Ontario and Canada's share of science-related employment grew by 0.5 ppt.

It appears that BC is slowly losing ground to other provinces in technology-related employment—this trend needs to be reversed, as attracting and retaining a labour force with technical depth will influence long-term investment and boost future labour productivity.



Source: Statistics Canada, *Labour Force Survey*

<sup>39</sup> Ideally, a productivity measure should account for both labour and capital inputs used in production, but this is difficult, and labour productivity is generally used as a proxy measure for total change in productivity.

<sup>40</sup> Natural and applied sciences include professional occupations in physical and life sciences, engineering, architecture, planning, and a range of related technical occupations.

<sup>41</sup> Statistics Canada Labour Force Survey.

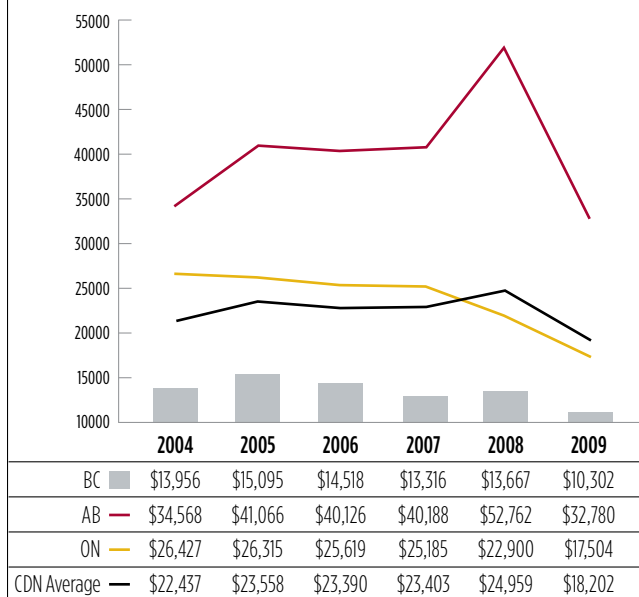
### Value of Exports per Worker

International trade flows are a major element of provincial and national GDP, and in BC, exports comprise over 40% of provincial GDP. Due to data limitations, our analysis of exports focuses on the physical movement of tangible goods, calculated with Customs Canada data.<sup>42</sup> In 2009, BC ranked last in our comparison, exporting \$10,302 of goods per worker. Alberta ranked the highest at \$32,780 per worker, while Ontario and Canada's value of exports per worker were \$17,504 and \$18,202 respectively.

Between 2008 and 2009, the value of BC's exports per worker declined by 24.6%, largely due to the downward spiral of forest product prices and shipments. This was significant, but not as dramatic as the decline in Alberta (-37.9%), due to a slump in crude oil prices, or the Canadian average (-27.1%). Ontario saw a decline of 23.6%, as its automotive industry continued to rationalize.

Between 2004 and 2008, the value of exports per worker in BC stagnated, then spiked downward in 2009, resulting in an overall five-year decline of -26.2%. Only Ontario had a worse five-year performance than BC, with its value of exports per worker declining 33.8%, Canada as a whole saw this indicator decline by 18.9%, while Alberta's value of exports per worker dropped by only 5.2%.

Exports of Goods (2002\$), Provinces and Canada, 2004 to 2009



Source: Statistics Canada



<sup>42</sup> GDP-based exports from Statistics Canada are not available for 2009 until later this year. Customs data does not capture trade in services or interprovincial trade.

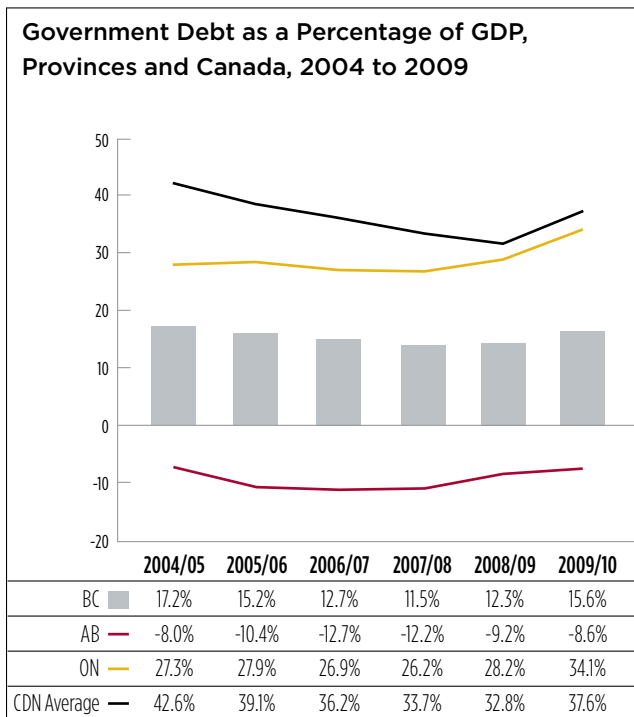


### Government Net Debt as a Percentage of GDP

Government net debt is total accumulated government debt, minus sinking funds and other assets, and reflects past government spending and its ability to pay it off. The recession of 2008-2009, forced the BC government into deficit spending in 2009/10, and a budget deficit of \$2.8 billion boosted BC's debt/GDP ratio to 15.6%, an increase of 3.3 ppt over the previous year. This notwithstanding, BC continued to have one of the lowest debt/GDP ratios in Canada.

In 2009/10, Canada's net debt rose by 4.8 ppt, to reach 37.6%, and Ontario's increase of 5.9 ppt boosted its ratio to 34.1%. Despite the dire economic conditions of 2009, Alberta saw its debt/GDP ratio rise by only 0.6 ppt, to reach an enviable -8.6%.<sup>43</sup>

Between 2004/05 and 2009/10, buoyant economic growth and prudent fiscal policy resulted in a decline in the debt/GDP ratios in most provinces. During this time, BC's net debt/GDP ratio declined by 1.6 ppt, although it was surpassed by the Canadian average, which declined 5 ppt. Alberta's debt/GDP ratio declined by 0.6 ppt, while Ontario's rose by 6.8 ppt during the same time period.



Source: Royal Bank of Canada, Provincial Fiscal Tables



<sup>43</sup> The negative number for government debt indicates net provincial monetary assets in excess of debts.

BC received the second highest rating on the Health Consumer Index, which ranks health care delivery in every province, and health care expenditures per capita grew by 7.8%, the largest increase among the comparison jurisdictions. BC also had the second smallest increase in the cost of living.

Other indicators were not so positive. In 2009, employees in BC received the smallest percentage increase in labour income (0.7% compared to 1.4% for Canada), indicative of a slowdown in economic growth and major layoffs. In addition, British Columbians ranked second only to Albertans in terms of the growth in consumer debt, in part the result of high shelter costs. The table below shows how BC compared on our five key indicators with Alberta, Ontario and Canada as a whole over one and five year periods.

## Summary of LIVE Key Indicators

	BC	AB	ON	CAN
Real Labour Income per Employee	<b>\$44,568</b>	\$64,516	\$49,633	\$48,612
Consumer Debt per Capita	<b>\$39,217</b>	\$33,031	\$29,241	\$30,978
Cost of living	<b>20.8%</b>	19.0%	21.2%	19.9%
Youth at Risk	<b>7.2%</b>	10.4%	8.6%	10.0%
<b>health</b> Health Expenditures per Capita	<b>\$3,030</b>	\$3,216	\$3,082	\$3,138
<b>health</b> 2009 Health Consumer Index National Rank	<b>2<sup>nd</sup></b>	4 <sup>th</sup>	1 <sup>st</sup>	n/a

2009 Value

<i>Real Labour Income per Employee</i>	<b>0.7%</b>	1.6%	1.1%	1.4%
<i>Consumer Debt per Capita</i>	<b>7.1%</b>	6.5%	4.2%	5.5%
<i>Cost of living</i>	<b>0.1 ppt</b>	1.6 ppt	-0.1 ppt	0.4 ppt
<i>Youth at Risk</i>	<b>-0.8 ppt</b>	-2.1 ppt	-1.2 ppt	-0.9 ppt
<b>health</b> <i>Health Expenditures per Capita</i>	<b>7.8%</b>	5.9%	3.5%	5.3%
<b>health</b> <i>2009 Health Consumer Index National Rank</i>	<b>n/a</b>	n/a	n/a	n/a

2008-09 % Change

<i>Real Labour Income per Employee</i>	<b>5.8%</b>	20.7%	4.1%	7.9%
<i>Consumer Debt per Capita</i>	<b>46.6%</b>	59.9%	25.5%	40.4%
<i>Cost of living</i>	<b>0.6 ppt</b>	0.4 ppt	0.6 ppt	0.7 ppt
<i>Youth at Risk</i>	<b>-1.7 ppt</b>	-3.4 ppt	-2.8 ppt	-2.0 ppt
<b>health</b> <i>Health Expenditures per Capita</i>	<b>17.9%</b>	45.1%	31.8%	31.2%
<b>health</b> <i>2009 Health Consumer Index National Rank</i>	<b>n/a</b>	n/a	n/a	n/a

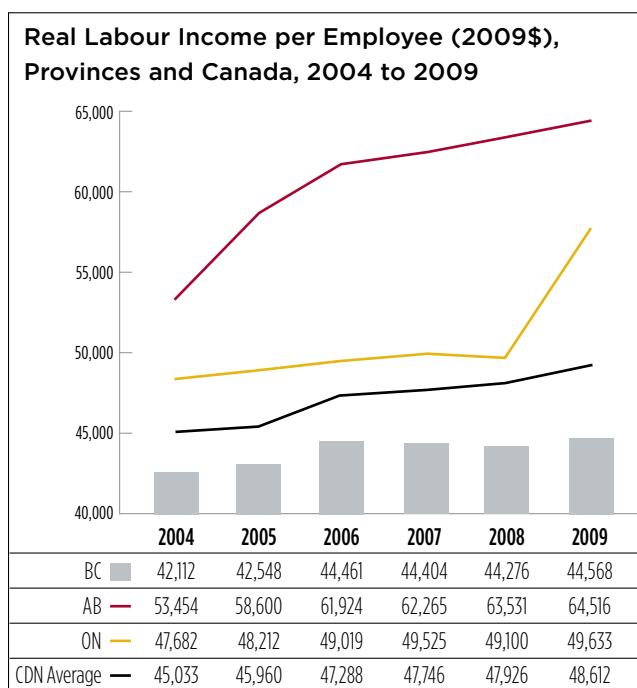
2004-09 % Change

### Real Labour Compensation per Employee

Real labour compensation is the remuneration received by an individual for work done, in the form of wages or salary, before deducting government transfers.<sup>44</sup> This indicator takes into account the effects of inflation on purchasing power and is an effective measure of economic well-being over time.

In 2009, real labour compensation per employee in BC was \$44,568, the lowest in the comparison group. Albertans earned \$64,516, while Ontarians and Canadians as a whole earned \$49,633 and \$48,612, respectively. In 2009, British Columbians experienced a modest increase of 0.7% in real labour income, half the rate of increase for Canada overall (1.4%). In contrast, real labour income per employee grew by 1.6% in Alberta, where the energy sector continued to maintain relatively high paying jobs.

Between 2004 and 2009, real labour compensation in BC grew by 5.8%, a larger increase than Ontario (4.1%), but still lagging behind the national increase (7.9%) and Alberta (20.7%). Things should improve somewhat in 2010, when renewed demand for BC exports is expected to reinvigorate the provincial economy and labour market. In the longer term, however, the BC labour force needs a productivity boost in the form of investments in machinery, equipment, and technology in order to significantly raise real labour compensation.

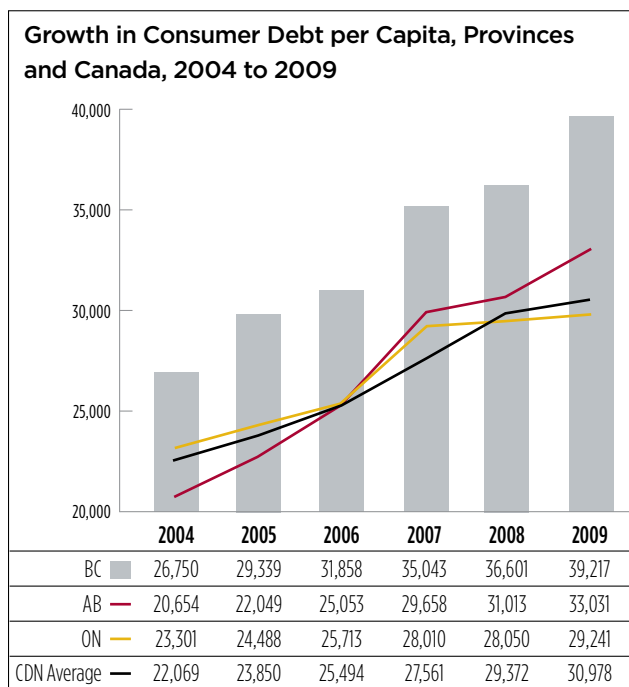


Source: Statistics Canada

### Consumer Debt per Capita

Consumer debt per capita is defined as the sum of both personal loan, credit card, and mortgage debt, divided by the total population. In 2009, consumer debt per capita in BC grew by 7.1%—the fastest one-year growth rate of all jurisdictions. This is not surprising, given that mortgage debt comprised over half of personal debt in BC. The province also had the second highest increase (49.2%) in personal bankruptcies in the country.<sup>45</sup> Alberta's consumer debt increased 6.5%, while Ontario experienced the lowest debt growth, at 4.2%.

As shown in the live summary table, between 2004 and 2009, BC and Alberta maintained their positions as the provinces with the fastest growing per capita debt burdens (with increases of 46.6% and 59.9% respectively). Ontario experienced an increase of 25.5% during the same period, and Canada as a whole saw an increase of 40.4%. Throughout the country, it appears that the normalization of living on borrowed money is a key reason for the ever-expanding debt burden.<sup>46</sup>



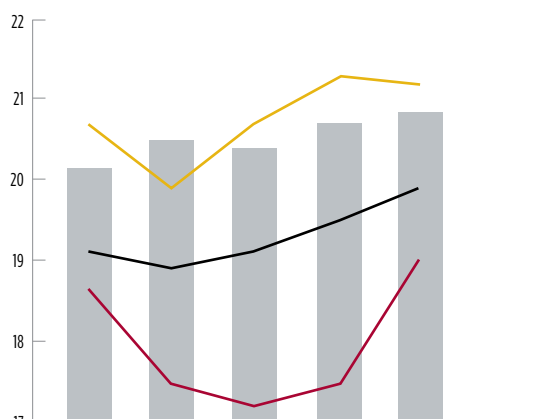
Sources: Statistics Canada; Credit Union Central of BC and Alberta; Insurance Deposit Corporation of Ontario

<sup>44</sup> <http://www.statcan.gc.ca/nea-cen/gloss/iea-crd-eng.htm>. This indicator also includes employers' social contributions, such as retirement allowances, dental plans, and other benefits.

<sup>45</sup> RBC. Household Credit Analysis, October 6, 2009.

<sup>46</sup> 'BC Leading Canada in household debt growth'. CBC May 26, 2009. Accessed at: <http://www.cbc.ca/canada/british-columbia/story/2009/05/26/bc-rising-household-debt.html>

### Shelter Cost as a Percentage of Total Household Expenditures, Provinces and Canada, 2004 to 2008



	2004	2005	2006	2007	2008
BC	20.2%	20.4%	20.3%	20.7%	20.8%
AB	18.6%	17.4%	17.2%	17.4%	19.0%
ON	20.6%	19.9%	20.7%	21.3%	21.2%
CDN Average	19.2%	18.9%	19.2%	19.5%	19.9%

Source: Statistics Canada

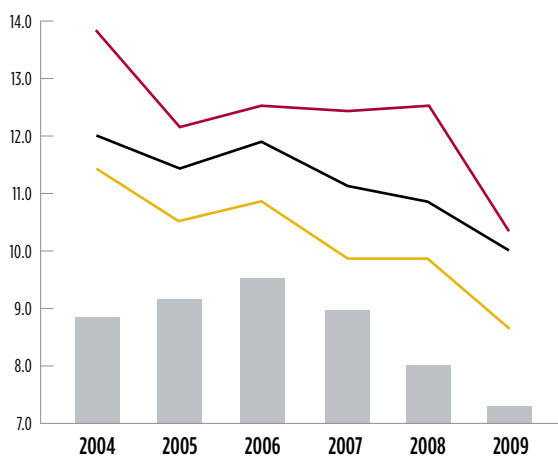
### Cost of Living

The shelter share of total household expenditures<sup>47</sup> reflects the cost of living. In 2008, shelter accounted for 20.8% of total household expenditures in BC. Only Ontario exceeded this, at 21.2%. The national average for this indicator was 19.9%, while Alberta was the lowest at 19%.

Throughout 2008, and in early 2009, housing prices cooled significantly in BC, making them generally more affordable. For this reason, the cost of living indicator in BC rose by only 0.1 ppt between 2007 and 2008, signifying that the cost of accommodation did not grow significantly to homeowners or renters. In Alberta, the shelter share of household expenditures rose by 1.6 ppt, the national average increased by 0.4 ppt, while in Ontario, this indicator declined by 0.1 ppt. For those whose incomes did not rise at the same rate as the cost of shelter, any increase means less disposable income, as more household income is devoted to housing.

Between 2004 and 2008, BC and Ontario both saw a 0.6 ppt rise in the shelter component of household expenditures. Canada-wide, the shelter share of household expenditures rose at a slightly faster rate of 0.7 ppt, while Alberta realized the slowest increase at 0.4 ppt.

### Percentage of Labour Force Aged 19-24 with Less than High School Education, Provinces and Canada, 2004 to 2009



	2004	2005	2006	2007	2008	2009
BC	8.9%	9.2%	9.5%	9.0%	8.0%	7.2%
AB	13.8%	12.1%	12.5%	12.4%	12.5%	10.4%
ON	11.4%	10.5%	10.9%	9.8%	9.8%	8.6%
CDN Average	12.0%	11.4%	11.9%	11.2%	10.9%	10.0%

Source: Statistics Canada, *Labour Force Survey*

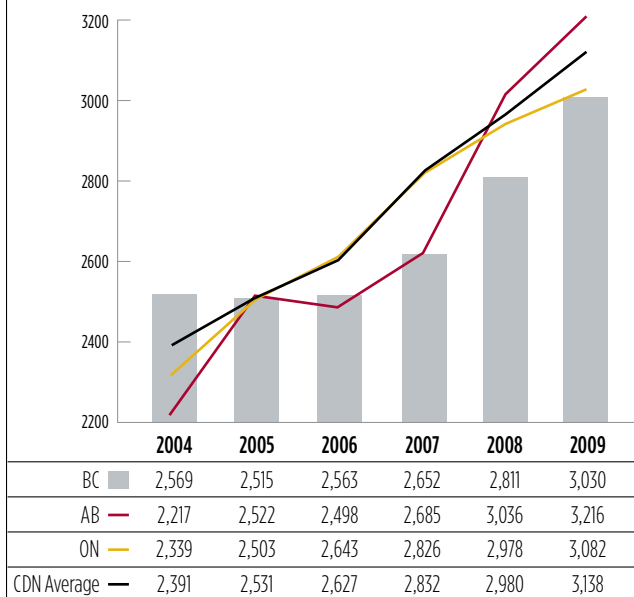
### Youth at Risk

Our youth at risk indicator is defined as the percentage of the labour force, aged 19 to 24, who have not completed high school. For the past decade, BC has consistently had the lowest percentage of youth at risk in the comparison group. In 2009, only 7.2% of youth in BC did not complete high school: this result bested Alberta, Ontario, and Canada as a whole (10.4%, 8.6%, and 10.0% respectively).

However, Ontario and Alberta are closing the gap. While BC reduced its number of youth at risk by 0.8 ppts in 2009, Alberta had the best result, with a reduction of 2.1 ppts, and Ontario ranked second place with a decline of 1.2 ppt. The trend was similar between 2004 and 2009, with both Alberta and Ontario narrowing the gap in the number of youth at risk. Nevertheless, BC remains firmly in the lead for this measure.

<sup>47</sup> Household expenditure includes total current consumption, personal taxes, personal insurance payments and pension contributions, and gifts of money and contributions. Shelter costs include expenditures on principal accommodation (either owned or rented) and on other accommodation, such as vacation homes or accommodation while travelling. Expenditure on owned principal accommodation includes regular mortgage payments, if any.

### Real Provincial Health Care Expenditures per Capita, Provinces and Canada, 2004 to 2009



Source: Statistics Canada

### Health Expenditures per Capita

The primary indicator—real provincial health care expenditures per capita—reflects the growth rate of government expenditure on health care.<sup>48</sup> This is augmented with a secondary indicator, the “Health Consumer Index”, which has been developed by the Canadian Frontier Centre for Public Policy to assess consumer satisfaction with health services offered.

In 2009, BC’s real health care expenditures per capita rose by 7.8%, to reach \$3,030, well ahead of the inflation rate and the greatest increase of all jurisdictions. Nevertheless, compared to Alberta, Ontario, and the national average (\$3,216, \$3,082, and \$3,138 respectively), BC’s absolute spending level remained the lowest of all jurisdictions.

The Canadian Consumer Health Index was designed to assess provincial health care delivery according to five criteria—outcomes, waiting time for treatment, primary care, patient rights, and “generosity.”<sup>49</sup> The idea of a consumer-based assessment of health care is new to Canada, and not yet wholly accepted, but it marks a new approach to measuring outcomes, and has been in use successfully in Western Europe for several years.

A comparison of the Health Consumer Index rankings for 2009, shows that BC achieved the second highest ranking among all the provinces of Canada in terms of health care delivery last year. This represents a positive outcome, given that BC has one of the lowest levels of healthcare expenditures per capita among the comparison jurisdictions (as shown above), but obtained a high index value (2nd highest of all the provinces).

### Health Consumer Index National Ranking in 2009<sup>50</sup>

Health Consumer Index National Ranking <sup>51</sup>	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL
	2	4	9	7	1	10	3	5	6	8

Source: Canadian Consumer Health Index 2009

<sup>48</sup> While growing health care expenditures poses a challenge from a fiscal policy perspective, it still serves as the best simple indicator of whether health care consumer needs are being met.

<sup>49</sup> This refers to the range of services provided in each province. The methodology has been developed and used by the Health Consumer Powerhouse, Europe’s leading independent provider of consumer information, whose work has initiated improvement in healthcare systems in Europe.

<sup>50</sup> In 2008, the Winnipeg-based Frontier Centre for Public Policy collaborated with the Health Consumer Powerhouse in Brussels to produce its first annual Canada Health Consumer Index (CHCI), which assesses the consumer responsiveness of each province’s healthcare system against the rest of the country. Rebecca Walberg and Arne Björnberg, *2009 Canada Health Consumer Index*, Presented by Frontier Centre for Public Policy and Health Consumer Powerhouse.

<sup>51</sup> Ranking across all provinces; territories are excluded.

## **BC Check-Up**

As leaders in analysing and validating information, CAs are often called upon to provide independent, fair, and objective information to assist in decision-making. It's with this goal in mind that the Chartered Accountants of BC prepare the BC Check-Up each year. It is our hope that the *BC Check-Up* will make a positive public policy contribution to the province by stimulating debate and discussion about how to make BC a better place in which to live, work, and invest.

The *BC Check-Up*, *Regional Check-Up*, and related information are available online at [www.bccheckup.com](http://www.bccheckup.com).

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The *BC Check-Up* is edited by Kerri Brkich. Creative layout and design were done by Blair Robertson of Blindfolio Design.

Opinions expressed in the *BC Check-Up, 2010* do not necessarily reflect those of individual CAs.

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