2/3 new jobs created in service sector

Unemployment +0.1 ppt to...

70.2% of labour force has at least some post-secondary education

Labour compensation per employee to $53,373

% 27,800 jobs to 2.31m

Unemployment +0.1 ppt to...

6.2%...due to more workers

Value of international exports $35.9 billion

Top 5 BC export commodities to international markets

Wood

Energy

Machinery & Equipment

Metallic Minerals

Pulp & Paper

Government net debt as a percentage of GDP to 16.7%

$3.97 billion

Private sector non-residential building investment + 2.8%

$3.97 billion

Private sector non-residential building investment + 2.8%

% 2.6%

Consumer debt per capita to $60,043

Driven largely by growth in mortgage debt

+ 4.5 ppt to 76.9%

Share of median income spent on housing

-0.2 ppt to 45.8%

Long-term unemployment rate unchanged at 0.7%

Percentage of labour force between ages 19 and 25 with less than a high school education +0.7 ppt to 5.9%

+2.6%

% 60,043

% 60,043

% 60,043

* ppt = percentage point

Above infographic: Blair Robertson/Blindfolio Design
On the cover: Daniel Barnes/istock/Thinkstock
Introduction

BC’s economy enjoyed another year of solid expansion in 2015, with real annual GDP growth of 3.1%. This growth was slightly ahead of Ontario’s real GDP growth rate of 2.6%, and well ahead of the national average of 1.1%.

BC experienced job creation for the sixth year in a row in 2015, with 27,800 new jobs added to the economy. Most positions were created in Southwest BC, Vancouver Island/Coast, and Northwest BC. Approximately two-thirds of these new jobs were in the service sector, with the health care & social assistance, transportation & warehousing, and information, culture & recreation industries showing the largest absolute gains.

But BC’s goods sector was the real story in 2015. Employment in this sector rose by 9,200 jobs, with the manufacturing industry realizing the largest absolute gain of 11,100 jobs, offsetting losses in other goods industries. This was the largest one-year job gain in manufacturing in at least the past decade. BC’s greater output of forest products, food and dairy, and various other products — such as machinery & equipment and medical equipment & supplies — is what generated higher manufacturing employment in 2015.

Although the value of BC exports rose slightly (by 0.5%) last year due to a slump in energy exports, global markets continued to be a major destination for our province’s manufactured goods. In BC, consumer spending rose in 2015, driving growth in retail sales, services, and the housing market. A low unemployment rate and continued positive in-migration were also instrumental in boosting sales, activity, and prices in the housing market.

With an absolute increase of 44,724 residents last year, BC’s population grew by 1.0% to reach 4.68 million in 2015. Just over half of this growth (22,621) was due to international immigration, with most of these new immigrants moving into the Mainland/Southwest Development Region. There has been a declining trend in international migration to BC. In contrast, interprovincial in-migration has grown in the past two years (it was 12,413 in 2014/15), as many workers and their families relocated to BC from Alberta and other provinces, drawn by economic opportunities in our province.

BC remains in solid fiscal shape, running its fourth surplus in a row in fiscal year 2015/16. It has one of the lowest debt per capita ratios in the country, and enjoys a high credit rating. This bodes well for future capital investment.

BC’s high tech sector is drawing capital and generating new jobs. The high tech sector is expected to be a major source of economic development in the years to come, especially in Southwest BC. But this year’s surge in manufacturing — and the fact that forest products, minerals, and energy constituted approximately 65% of the total value of BC exports in 2015 — should remind us that resources continue to be a primary driving force of our economy.

---

1. RBC Economics, Provincial Outlook, June 2016. Note that estimated GDP growth rates cited here are slightly different from those cited in the Regional Check Up. The latter were based on forecasts produced by TD Bank Economics earlier in the year.
2. Ibid.
3. Southwest BC or the Mainland/Southwest Development Region, is comprised of the Greater Vancouver, Sunshine Coast, Squamish-Lillooet, and Fraser Valley Regional Districts. This Development Region accounts for 61 per cent of the provincial population.
**Provincial Outlook**

British Columbia’s economic outlook for 2016 is optimistic. Both TD Bank and RBC forecast a GDP growth rate of 3.0%, putting BC in top place among the provinces. Economic activity is expected to be busy in both the domestic and global markets. At home, a growing population and upbeat consumer confidence will continue to boost spending on goods and services and in the housing market. As of mid-2016, data shows that retail trade grew by 5.5% between December 2015 and the end of April 2016, and that employment grew by 3.0% between May 2015 and May 2016.

Export growth was marginal in 2015, but predictions are for a revived export sector in 2016, due to continued demand for non-energy exports. Tourism data shows that tourist entries into BC from the US and Asia increased by 3.9% between December 2015 and February 2016. The increase is likely to carry on through 2016, as the lure of the cheaper Canadian dollar will continue to attract visitors from the US and around the world to BC’s beautiful and peaceful environment.

While the liquefied natural gas (LNG) industry in northern BC holds great promise for the provincial economy, it appears that the rollout of the many proposed LNG projects is being pushed further into the future, due to poor energy markets and regulatory challenges. A recent Federal Court of Appeal decision cancelled a permit issued by the federal government for Enbridge’s Northern Gateway pipeline project to carry oil sands crude oil to the Pacific Coast, stating a lack of adequate consultation with First Nations. This will delay the project indefinitely or perhaps result in it being cancelled. To date, no approvals have been announced for the proposed LNG projects. If at least one project does proceed in the next few years, it will inject immense employment, earnings, and government revenue benefits into the provincial economy.

---

2 Statistics Canada, Economic indicators by province and territory (monthly and quarterly). CANSIM, Table 080-0020.
3 RBC Economics, Ibid.
4 BC Stats, Monthly Tourism Indicators, Travel Entries to Canada via BC (seasonally adjusted), May 2, 2016.
5 Shawn McCarthy and Jeff Lewis, Court overturns Ottawa’s approval of Northern Gateway pipeline, Globe and Mail, June 30, 2016.
Focus Piece

Fostering Head Office Growth in BC
A Lesson from the High Tech Sector

Introduction
British Columbia’s business landscape is dominated by a large number of small businesses. In 2015, small firms of 50 workers or less accounted for 98% of all businesses in BC, and 54% of private sector employment. The province also has a disproportionately small number of major corporate head offices when compared to other provinces in Canada. In 2013, only 7.5% of head offices in Canada were located in BC, compared to 41.7% in Ontario, 23% in Quebec, and 18.1% in Alberta. While small businesses provide the innovation, cost-effectiveness, and flexibility needed to fuel BC’s changing, and largely service sector-based, economy, there are several arguments for attracting new major corporate headquarters to BC, or for growing existing ones.

Head offices of larger companies provide important management and support to their various operating branches. A head office is an operation that can “issue instruction to other units of a firm, coordinate production and sales activities, allocate resources, collect information, delegate tasks, and make long run strategic decisions.” Head offices generate vision, direction, and employment within their own organizations, and also form connections with their networks of goods and service providers. They act as the core of business clusters, attracting capital, talent, and ideas. In addition, corporate headquarters generally employ more highly educated workers at higher wages.

Attracting new head offices and supporting the growth of those already established would benefit BC, particularly Metro Vancouver. A recent report by the Business Council of BC states that, with such low representation of head offices, Metro Vancouver does not yet “punch at its weight” compared to other cities in Canada, and that boosting the numbers would not only strengthen BC’s economy but give our province greater international recognition.

Our goal is to identify the determinants of head office location, with a focus on the fast-growing high tech sector. How would more high tech head offices in BC support the growth of smaller companies and industry cluster development? What challenges exist in BC now, and how can they be met?

“Head offices play a critical role in supporting community and local philanthropic initiatives. A strong, diverse regional economy anchored by 21st-century head offices across a range of existing and new sectors will reinforce Vancouver as a sustainable and vibrant city, and importantly, as a business city.”

- Yuen Pau Woo, President of HQ Vancouver

Our goal is to identify the determinants of head office location

---

10 Statistics Canada, Annual Head Office Survey, October 2015.
High tech in BC

High tech\textsuperscript{14} is BC’s fastest-growing industrial sector. In the past decade, BC’s high tech sector has seen its GDP grow at a faster rate than the BC average industrial aggregate.\textsuperscript{15} As of 2013, high tech comprised about 6.5%, or $12.5 billion, of provincial economic output.\textsuperscript{16} In the same year, BC Statistics data indicates that 86,800 workers were employed in high tech industries, accounting for 4.4% of the provincial labour force.\textsuperscript{17}

In 2013, the high tech sector’s share of Canadian national average GDP was 7%, slightly above that of BC’s 6.5%. Compare this with the US average of 10%, or the states where high tech has made the greatest inroads — Oregon (where high tech comprises 23% of total GDP), Washington (21%), and California (16%).\textsuperscript{18} Oregon is now the home of major corporations such as Hewlett-Packard, producing high tech goods for domestic use and export. Washington State is the base of globally recognized software and aerospace producers such as Microsoft and Boeing. California is the home of the world’s largest software and high tech industries, as well as the film industry. The emergence of high tech corporate head offices in these states attracted related businesses seeking close proximity to those that they do much of their business with. Growing ecosystems of high tech businesses, as well as their networks of goods and services suppliers, has transformed the economies of these states within a few decades. In comparison, BC is only beginning to realize its potential.

<table>
<thead>
<tr>
<th>High Tech Share of GDP in 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurisdiction</td>
</tr>
<tr>
<td>Oregon</td>
</tr>
<tr>
<td>Washington</td>
</tr>
<tr>
<td>California</td>
</tr>
<tr>
<td>United States</td>
</tr>
<tr>
<td>Quebec</td>
</tr>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>BC</td>
</tr>
</tbody>
</table>

BC is home to a growing number of high tech businesses, either well established or in their inception, spanning wireless, digital media and gaming, health tech, clean tech, and alternative energy. Many of these firms are located in Southwest BC, with 529 new businesses created in 2013 alone. The province’s largest tech companies — Telus, Sierra Wireless, and MacDonald Dettwiler, to name a few — have their headquarters in Metro Vancouver. Similarly, the high tech sector is also growing in Kelowna and Victoria, although on a smaller scale. Accelerate Okanagan and VIATEC are anchors of the high tech clusters in the two cities, providing support to local innovators.

Several major international companies, including Microsoft, Sony Imageworks, and Amazon, have expanded their Vancouver offices significantly in the past few years. In June 2016, Microsoft opened a 142,000 sq ft office and development hub atop Pacific Centre’s Nordstrom building. The company expects up to 750 employees to work at this new Centre of Excellence, doubling the company’s workforce in Vancouver.\textsuperscript{19} In addition, Vancouver is also home to three of Canada’s four tech unicorns, or startups that are valued at more than $1 billion—Slack, Hootsuite, and Avigilon.\textsuperscript{20} Other homegrown players include Absolute Software, ACL Services, Telus, BuildDirect, Vision Critical, and Global Relay.

Considered to be the “startup capital of Canada,” BC has attracted angel investments and venture capital for hundreds of new high tech companies in the past few years.\textsuperscript{21} These startups have been the source of great innovation in BC, creating high-paying jobs and economic opportunities for many talented workers and entrepreneurs. Nevertheless, high tech needs to develop a larger and more integrated ecosystem in BC to stimulate further investment and innovation, attract and retain the right workers, and open access to more markets.

\textsuperscript{14} According to BC Stats, the high tech sector includes manufacturers of pharmaceuticals and other chemicals, computers and other electronic products, aerospace products and parts, and medical equipment and supplies. It also includes service industries like engineering, computer services, motion picture and video production, surveying and mapping, scientific and technical consulting, telecommunications, and research and development. BC Stats, Profile of the British Columbia High Technology Sector: 2014 Edition, Prepared for the Ministry of Technology, Innovation and Citizens’ Services, June 2015.
\textsuperscript{15} Ibid. Note that BC Stats uses an industry-based approach to calculating the high tech contribution to the economy.
\textsuperscript{16} Ibid.
\textsuperscript{17} Ibid.
\textsuperscript{18} Ibid.
\textsuperscript{19} Kenneth Chan, “21 Photos of Microsoft’s massive new office in downtown Vancouver,” Daily Hive, June 17, 2016.
\textsuperscript{21} Mark Betteridge, CEO of Discovery Parks, presentation at Canada West Conference, October 23, 2014.
Early-stage venture capital is critical for companies to take timely advantage of market opportunities

Jurisdictions that provide models for Vancouver’s high tech sector already have the critical mass to continue generating new startups. Silicon Valley, for example, boasts a unique combination of companies, educational institutions, ready venture capital, and a vast network. Likewise, Seattle is the location of huge high tech companies like Microsoft, Amazon, and Boeing, while Waterloo and the University of Toronto’s computer science departments are generating opportunities for Ontario entrepreneurs.22 Attracting more major high tech head offices to Vancouver will be instrumental in achieving this same critical mass.

What are the necessary ingredients for attracting high tech head offices?

Better access to capital
While high tech companies in the initial stages of research and product development rely on seed or early startup capital from angel investors, BC tech companies in the next stages of growth face the challenge of procuring money to fund further expansion of their enterprises. Venture capital financing, which is private equity capital, plays an important role at this stage of development.

Early-stage venture capital is critical for companies to take timely advantage of market opportunities. KPMG’s 2014 British Columbia’s Technology Report Card states that there has been a decline in local venture capital to BC tech companies in their early-stage of development and growth, making it necessary for these companies to seek funds from US investors.24 With the depreciating Canadian dollar, attracting US venture capital funds has never been easier. In addition, US venture capital funds have a higher risk tolerance than their Canadian counterparts, and a change in the Canadian tax code in 2011 made it easier for the former to invest in Canadian startups.25

A greater supply of early-stage venture capital in BC will provide the means to help startups move more quickly to seize opportunities, and encourage them to stay in BC rather than relocate out of the country. This will contribute to a critical mass of larger companies.

---

Recognizing the importance of the high tech sector and innovation, the federal and provincial governments have made commitments to provide additional funding and resources to tech companies in the startup and early-stage phases of development. Examples of how the provincial and federal governments are injecting new capital into the high tech sector include:

- **BC Tech Fund** — Established in December 2015, the BC government has created a $100 million fund to target companies requiring early-stage funding.\(^2\)

- **Canadian Venture Capital Action Plan** — $400 million in new funding for venture capital, created by the Government of Canada in early 2013.\(^3\)

- **Western Innovation Initiatives** — A $100 million five-year federal initiative administered by the Western Economic Diversification Canada department that offers repayable contributions for SMEs in Western Canada to help move new and innovative technologies to the marketplace.\(^4\)

- In February 2016, BDC Capital launched its IT Venture Fund II, a new $150 million venture capital fund for the Canadian information technology industry. This fund will be targeted at mid-stage investments in more mature high tech startups, with developed products and revenues.\(^5\)

### Supportive tax and regulatory environment

Government policy plays an important role in attracting and retaining corporate head offices. There is limited advantage in simply providing investment subsidies to attract head offices.\(^6\) A more visionary and long-term approach is to deliver a policy setting that is aimed at strengthening the industry and making it more competitive. In high tech, this would include fewer regulatory hurdles, a competitive tax system, increased government spending on high tech research and development (R&D), better business support, and increased investment in an education system that produces workers with the skills that match the requirements of a rapidly changing work environment.

A judicious combination of tax incentives and targeted programs has proven highly successful in growing the high tech sector and attracting head offices to jurisdictions in North America and around the world. Here are some examples:

- In Ireland, the government has used a very competitive tax regime (including a corporate tax of 12%) as well as changes in its education system to persuade companies such as Facebook, Google, Twitter, and Zynga to make Ireland their European base. As a result, other companies that needed to be physically close to these major companies established their own operations there too. This has led to the development of a major technology ecosystem that has injected new life into Ireland’s economy.

- In the US, federal government agencies that spend more than $100 million on outside R&D are required to allocate 2.8% of their annual R&D budgets to the Small Business Innovation Research (SBIR) program. This money is awarded on a competitive basis to small domestic high tech businesses throughout the country where the technology or product has the potential for commercialization. As an example, Business Oregon cites SBIR grants as one of several entrepreneur resources available to high tech startups in Oregon.\(^7\)

- Quebec’s refundable tax credit for multimedia firms was implemented to make Quebec a hub of multimedia production. It allows eligible corporations to obtain a refundable tax credit of a maximum of 37.5% of eligible production work salaries. As of 2012, Montreal was home to a booming industry of approximately 50 companies publishing video games, and several other companies that supply the tools to support them. The tax credit, combined with a suitably trained workforce, a critical mass of other creative companies, and low real estate prices, has been instrumental in building a vibrant new industry.\(^8\) Nevertheless, this kind of tax break may introduce market distortions, especially in a mobile industry like multimedia. With other jurisdictions offering similar tax breaks, the Quebec government could have difficulty ending the tax credit if it wishes to retain these businesses.

---

\(^2\) BC Government, Technology, Innovation and Citizens Services, $100M fund to boost BC’s Tech Sector and Job Creation, December 8, 2015.

\(^3\) Government of Canada, Growing the Middle Class, Budget 2016: Accessed April 28, 2016.


\(^5\) A subsidiary of the Business Development Bank of Canada.

\(^6\) Keith Head and John Ries, Sauder School of Business, University of British Columbia, Head Office Location: Implications for Canada, 2008.


A comparison of BC’s corporate income tax rate with those of other jurisdictions shows that our province’s combined federal and provincial rate of 26% ranks in the top third of OECD tax rates, well above that of Ireland (12.5%) and Korea (24.2%), but below those of Germany (30.2%) and the US (39.1%).

The governments of Canada and BC also offer an array of investment tax credits and business supports targeted at attracting high tech companies. Some examples are the following:

- The British Columbia Scientific Research and Experimental Development (SR&ED) tax credit is offered to Canadian-controlled private corporations (CCPCs), permanently established in BC, for SR&ED activity undertaken in the province. This is in addition to the federal SR&ED tax credits. The BC SR&ED tax credit is refundable for CCPCs up to 10% of the expenditure limit and non-refundable otherwise at a rate of 10% of SR&ED qualified British Columbia expenditures.34

- BC’s interactive digital media tax credit (IDMTC) has been implemented for eligible registered corporations that develop interactive digital media products in BC between August 31, 2010 and September 1, 2018. This credit offsets 17.5% of eligible salary and wages incurred in the tax year.35

- The BC small business venture capital tax credit is for corporations that invest in shares of a registered venture capital corporation or eligible business corporation. This is designed to give small businesses access to early-stage venture capital to help them develop and grow.36

- BC, in conjunction with the federal government, provides business supports for new or growing high tech companies. In 2013 the Government of Canada dedicated $100 million to the Canada Accelerator and Incubator Program to help promising incubator and accelerator organizations in Canada to expand their support to entrepreneurs.37 Delivered by the NRC-IRAP,38 this program provides funding over a five-year period in the form of non-repayable contributions to selected qualifying accelerators and incubators. Of this, $31.4 million went to the BC Technology Industry Association and three Vancouver incubator and accelerator organizations — HIGHLINE, the Centre for Drug Research and Development, and Wavefront Wireless Commercialization Centre Society.

- In February 2015, the BC and Canadian governments in association with the Business Council of BC established HQ Vancouver. This organization has a mandate to attract Asian head offices to Vancouver. As of June 2016, it has successfully recruited seven companies, six of which are high tech companies.39

Despite having these tax incentives in place, BC lags in terms of tax competitiveness. BC has the second highest marginal effective tax rate (METR) in Canada, after Manitoba. The METR looks at the up-front costs of making an investment — including financing, taxes on materials and services, equipment purchases, and inputs — and is an important indicator of a jurisdiction’s competitiveness. At 27.5%, it is lower than the 35.4% in the US, but is higher than most other countries, including tech-focused Germany and the United Kingdom.40 This will diminish BC’s attractiveness as a place for companies to establish head offices.

“There has been a call to add a work experience component to post-secondary education. This is a very common practice in European institutions with internships and co-operative employment. Europe has probably done this more effectively than North American colleges and universities. This direct work place engagement has the potential to give post-secondary students the opportunity to learn what it’s like to work in their industry. Students who graduate with a post-secondary degree, but without any work experience just aren’t as employable in this demanding labour market.” – Dr. Heather Banham, FCPA, FCGA, Dean of Okanagan College School of Business

34 Canada Revenue Agency, Summary of Provincial and Territorial R&D Tax Credits as at December 31, 2015.
35 Government of British Columbia, Interactive Digital Media Tax Credit.
37 Business accelerators and incubators offer mentoring, financial support, business advice, commercialization support, office and development space and complementary services to entrepreneurs in order to boost the number of innovative firms that can develop into sustainable, high-growth businesses.
38 National Research Council - Industrial Research Assistance Program.
A Good Pool of Talent
An ample supply of qualified talent is an essential requirement for building a company or an industry and attracting head offices to any jurisdiction. This is especially true in the high tech sector, which is built on the creativity and unique skills of its workers in a rapidly changing environment.

Given its lack of medium and large companies, BC's high tech sector does not have a sufficient local supply of executives with experience in managing high-growth businesses at later stages of development. This lack of depth could inhibit industry growth.

At the staff level, the high tech labour market is already experiencing a shortage of workers in fields that require science, technology, engineering, and math education. That said, the outlook for future job creation is very positive. In the Information and Communications Technology (ICT) industry, for example, a conservative estimate of projected hiring requirements is 20,950 new jobs between 2015 and 2019, with approximately 15,500 of these jobs located in Vancouver. The greatest demand will be for computer developers and software engineers.

The shortage of workers is expected to become more pronounced as older workers exit the labour force. By 2024, it is expected that there will be 70,000 job openings in technology and science, with computer systems design & related services, architectural, engineering & related services, and telecommunications accounting for almost half of these job openings. However, there aren't enough graduates to fill these positions. As of October 2015, there were 28,350 post-secondary students studying engineering and applied science in BC, accounting for approximately 8.1% of all BC post-secondary students. Moreover, industry representatives say that post-secondary institutions are not fine-tuning technology training to reflect labour market demands fast enough.

“One of our biggest challenges as a specialized technology company is hiring skilled workers, right from production technicians up to engineers and scientists. I believe access to skilled employees will remain a challenge certainly for Redlen and possibly for other tech companies in BC in the long-term. We just don’t have similar industries where people can obtain the right skills here in BC, or even and in Canada. As a result, many of our engineers and scientists are, and continue to be hired, from out of the country.” – Eric Erikson, CPA, CA, CFO of Redlen Technologies Inc

---

41 Bill Tam, President and CEO, BC Tech Association.
44 Ministry of Advanced Education, Post-Secondary Central Data Warehouse Standard Reports - Program Area, October 2015.
The Irish educational system is an excellent example of how BC could fill skills gaps in the high tech sector. Some of the many initiatives in Ireland’s ICT Skills Action Plan were implemented to attract more students to math and sciences starting in the early years, as well as offering one-year conversion programs to graduates from other skills areas to re-skill or up-skill into computing and programming. As part of this initiative, an ICT Foresight Group, comprised of industry and government participants, was established to better align post-secondary education programming with the rapidly changing needs of industry.

The BC government is working to address education issues at the Kindergarten to Grade 12 levels, with a view to preparing a workforce that is technology-ready and conversant. In its newly announced #BCTECH Strategy, the BC government has announced its plan to teach every child between Kindergarten and Grade 12 how to write code. This is an unprecedented move, signalling the government’s commitment to preparing for a new kind of workforce in the future.

One solution to high tech’s labour shortage has been for BC firms to recruit foreign workers whose skills match their specific requirements. But Canada’s sluggish immigration process has delayed many such hires, frustrating the efforts of high tech companies competing for talent against other countries. This worsened when the Canadian government suspended accelerated exemption for applicants with specialty occupations in the Temporary Foreign Worker Program in June 2014.

Hiring foreign workers in the US is more difficult than in Canada, and is expected to worsen if existing political conditions prevail. As a result, our high tech sector has benefited from this to some degree. Several US companies, such as Facebook, have established small offices or “engineering labs” in Vancouver as a way of hiring immigrants with specialty occupations who were unable to obtain their H-1B visas in the US.

BC’s comparatively small high tech sector has had difficulty retaining its workers. Once young workers have honed their skills in BC, they often leave for larger labour markets with better opportunities. Ryan Holmes, CEO of Hootsuite, claims that about 350,000 talented Canadians have left for Silicon Valley over the years, constituting a “lost generation” of talent.

---

48 Ibid.
A Good Quality of Life

Corporate headquarters are drawn to locations with a superior quality of life that will attract and retain international staff. In the past few decades, Vancouver’s image has transformed from that of a placid West Coast municipality to a major North American industrial and cultural hub. Its urban setting, good transportation links, and low crime rate combine with an unparalleled geographic setting that lends itself to a myriad of recreation opportunities. This has been an irresistible draw that has attracted between 20,000 and 30,000 new residents to Southwest BC annually during the past five years. But the quality of life in Southwest BC that once beckoned to young workers has been eclipsed by the rising unaffordability of housing. This is motivating middle or senior high tech executives who want to buy a home to seek work elsewhere.49

Vancouver is now the third most expensive city in the world to live in. A significant increase in real estate prices over the past decade is driving out skilled talent. At current rates of in-migration, this problem will only grow, deterring high tech workers from staying. Planners, policymakers, and developers in Southwest BC need to boost the supply of affordable housing to meet demand, with urban densification as one approach. Another solution is to establish high tech ecosystems outside of Vancouver, where property is more affordable for employees. Jurisdictions like Kelowna and Victoria are seeing an influx of skilled workers in the high tech sector relocating from Vancouver for a more affordable lifestyle. Locating high tech businesses and jobs in a community with lower property prices is likely to be attractive to new workers considering living in BC.

“Young professionals, particularly those working in the tech industry, would probably make more money if they moved to the United States, but this is where they want to live and this is where they want to raise their children. But if we only rely on the quality of life to retain this skilled talent, then we are going to run into issues in the future.”

– Simon Philp, FCPA, FCMA, director and team leader at CIBC

Conclusions and Recommendations

While small compared to Silicon Valley, BC’s high tech sector has seen amazing growth, and it can become a major global player. An essential step in achieving this status will be to attract more major corporate headquarters, and to grow the ones we have already. In so doing, the industry will develop the leadership and local network of businesses it needs to thrive. This refers not only to small, medium, and large high tech companies, but to specialized business supports such as legal, financial, leasing and marketing to name a few.

Industry leadership is a key element in growing and consolidating the industry. The BC Tech Association has been instrumental in supporting new tech ventures. Its Innovation Hub in Vancouver provides a venue where early- and growth-stage companies can connect with mentors and draw on an array of resources, professional services, investors, and networks. The BCTIA has also been successful in articulating a unifying vision to advance the state of the industry.

Government also plays a critical role in attracting head offices, most notably in accessing capital, supports, immigration, and education. The provincial and federal governments can continue to take an active role by stimulating early-stage capital investment and providing a favourable tax regime and business support. Speeding up and improving the permanent immigration pathway will also allow employers to meet critical skills shortages in a timely fashion and to retain these workers.

Academic institutions should also work closely with industry to better merge post-secondary programming with industry requirements, and make it more responsive in a timely fashion. An industry-government initiative such as the ICT Foresight Group in Ireland could help achieve this. In so doing, it will contribute to and refine what is already regarded as a superb pool of talent.

On the global tech industry stage, BC may be constrained by its own “Canadian-ness” and modesty. Our tech industry has its leaders, but it is being eclipsed by developments and innovations in the US and Europe. Rather than focusing on what is holding it back, the leaders in BC’s technology industry need to work together to make a strong case for its advantages — a good tax regime, a high-quality pool of talent, low costs, a shared time zone with Silicon Valley, and an unparalleled quality of life. BC needs to create a brand based on these merits, and market its high tech sector to the world. Leadership and collaboration between industry and government will be the critical first step towards drawing more, bigger and better companies and achieving this goal.

“We have companies here at Accelerate Okanagan that could probably hire 300 people today to add to their business, but they are not finding the right kind of people. Yet, we have recent graduates from Okanagan College and UBC Okanagan that are looking for work, but don’t have the work experience. Because they are startups, these businesses cannot afford to hire five people and pay them for training. If there were some sort of provincial or federal government subsidy to support the training, this would change the talent gap that we have.”

– Raghwa Gopal, CEO of Accelerate Okanagan.
About the BC Check-Up

Since 1999, the Institute of Chartered Accountants of BC (ICABC) have benchmarked the province’s economy in the BC Check-Up. This tradition is being continued by the Chartered Professional Accountants of British Columbia.

The BC Check-Up uses 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.

British Columbia’s economy enjoyed the strongest growth in Canada in 2015. Much of this was fuelled by a growing population and domestic demand for consumer goods and real estate. The export industry showed only a small amount of growth, due largely to a decline in energy and commodity prices. For 2016, British Columbia’s economy is expected to outstrip the growth of the other Canadian provinces. Nevertheless, only five of our 12 work, invest, and live BC Check-Up indicators showed improvement this year, while one remained the same.
**BC Check-Up indicators**

**work**

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

*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.

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

*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.

**invest**

*Private sector investment in non-residential infrastructure* reflects individuals’ and businesses’ confidence in a region’s economic prospects. It is assumed that industrial and commercial building construction is funded entirely by the private sector.

*Employment in the sciences* reflects the extent of technical knowledge dissemination throughout the workforce.

*Value of 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).

*Government net debt as a percentage of GDP* measures the fiscal position of a provincial government.

**live**

*Consumer debt per capita* includes both personal and mortgage debt.

*Housing affordability* shows the proportion of median pre-tax household income that would be required to service the cost of mortgage payments (principal and interest), property taxes, and utilities based on the median market price for an overall aggregate of housing types in a given market.

*Long-term unemployment* is the share of the labour force out of work for 52 weeks or more.

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

For the purposes of this report, we use Alberta, Ontario, and the national average for Canada as our comparative jurisdictions.
BC 2015

2014-2015 CHANGE in BC

BC
Alberta
Ontario
Canada

+ 27,800
JOB CREATION

ON 6,923,200
BC 2,306,200
AB 2,301,100
17,946,600

+ 0.1ppt
UNEMPLOYMENT RATE

ON 6.8%
BC 6.2%
AB 6.0%
6.9%

+ 2.1ppt
EDUCATIONAL ATTAINMENT

ON 73.2%
BC 70.2%
AB 67.9%
72.1%

+ 1.1ppt
LABOUR COMPENSATION PER EMPLOYEE

AB $74,331
ON $57,768
BC $53,373
$57,071

BC IMPROVED AS A PLACE TO WORK IN 2015

ppt = percentage point
Three of our four work indicators demonstrate that in 2015 BC continued to be a good place to work. Job creation was positive for the sixth year in a row, with total employment growing by 27,800 to 2.31 million. This was more than double the job creation numbers of 2014. The service sector accounted for two-thirds of these new jobs last year.

Educational attainment in our province’s labour force grew in 2015, with the share of workers aged 25-54 with at least some post-secondary education rising by 2.1 ppt to 70.2%. BC saw the most dramatic five-year improvement in this indicator of all our jurisdictions.

Our province also saw a favourable trend in real wages and salaries. Average real labour compensation per worker rose by 1.1% to $53,373, reflecting some productivity gains and more total hours worked.

Only BC’s unemployment rate disappointed last year, rising by 0.1 ppt to 6.2% in 2015. This was the first upturn in the unemployment rate in five years.

### Summary of Work Key Indicators

<table>
<thead>
<tr>
<th>WORK INDICATOR</th>
<th>BC</th>
<th>AB</th>
<th>ON</th>
<th>CAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>2,306,200</td>
<td>2,301,100</td>
<td>6,923,200</td>
<td>17,946,600</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>6.2%</td>
<td>6.0%</td>
<td>6.8%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Educational Attainment</td>
<td>70.2%</td>
<td>67.9%</td>
<td>73.2%</td>
<td>72.1%</td>
</tr>
<tr>
<td>Labour Compensation per Employee</td>
<td>$53,373</td>
<td>$74,331</td>
<td>$57,768</td>
<td>$57,071</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>14-15 Change</th>
<th>10-15 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>+27,800</td>
<td>+83,200</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>+0.1 ppt</td>
<td>-1.4 ppt</td>
</tr>
<tr>
<td>Educational Attainment</td>
<td>+2.1 ppt</td>
<td>+5.9 ppt</td>
</tr>
<tr>
<td>Labour Compensation per Employee</td>
<td>+1.1%</td>
<td>+9.5%</td>
</tr>
</tbody>
</table>

Source: All indicators in BC Check-Up are based on Statistics Canada Labour Force Survey data and other published sources. Data for Work indicators are based on Statistics Canada CANSIM Tables 282-0002, 282-0004, 282-0008, 282-0012, 326-0021, 382-0006. This data was accessed between May and July 2016.

Note: An increase in the value of these indicators (except for unemployment rate where a decrease indicates improvement) means an improvement in the quality of the province’s work environment. ppt = percentage point
**Job Creation**

Employment in BC grew by 27,800 in 2015 to reach 2.31 million jobs. The job gains more than double those of 2014. Southwest BC accounted for most of these gains, with 21,300 new positions.

BC’s goods sector generated 9,200 new jobs in 2015. This was a 2.1% increase over the previous year that brought the total to 459,100 jobs. The greatest growth occurred in the manufacturing industries, with 11,100 new jobs, driven by greater output in wood products, food and dairy, and various other products such as medical equipment and supplies. The lion’s share of manufacturing growth occurred in Southwest BC, Thompson-Okanagan, and Northwest BC. Construction employment gains were slight at 1,000 new jobs, while the utilities industry accounted for another 800 new jobs. Gains in these sectors were offset by losses of 2,100 jobs in agriculture, reflecting lower labour intensity, as well as losses of 1,700 jobs in the forestry, fishing, mining, and oil & gas industry.

BC’s service sector accounted for two-thirds of newly created jobs in 2015, which is a 1.0% gain over 2014. The health care & social assistance industry dominated overall growth with 17,600 new positions, while the transportation & warehousing industries generated another 6,200 jobs. The other big gainers — information, culture & recreation; business, building & other support services; and professional, scientific & technical — together added another 18,200 new jobs. This aggregate increase in the number of jobs was partially offset by losses in the trade; accommodation & food services; finance, insurance, real estate & leasing; educational services; and public administration industries.

Comparing among our provincial jurisdictions in 2015, BC and Alberta both saw job creation rates of 1.2%, ahead of Ontario’s 0.7% growth rate and the national average of 0.8%. Despite deep job cuts in oil and gas and utilities, total net employment rose by 26,500 jobs in Alberta last year due to the growth of the service sector. With production cutbacks and ongoing layoffs in the energy sector, the job creation outlook for Alberta in 2016 is more pessimistic. Overall, Canada gained 144,400 new jobs in 2015, driven by a surge in service sector employment.

Last year, BC continued to have the largest share of self-employed workers compared to our other provincial jurisdictions. In 2015, the proportion of self-employed workers in BC was 17.9%, up 0.5 ppt from the previous year. Alberta’s share was 16.3%, a decrease of 0.6 ppt from 2014. This indicator rose by 0.4 ppt to 15.7% in Ontario, while the Canadian average ticked up slightly by 0.1 ppt to 15.4%.

There are a few factors that might explain why BC has a higher proportion of self-employed workers. Many workers who cannot find suitable paid work have chosen self-employment. This is especially so for young workers, and those new to the labour force, and is particularly prevalent in the service sector. Another consideration is our province’s rapidly expanding high tech sector, which is almost entirely dominated by small companies, many with sole proprietors.

BC also boasts the highest proportion of part-time employment of our comparison jurisdictions; however it has been declining annually since 2010. Last year, part-time employment in BC declined by 0.9 ppt to 20.9%. Likewise, this indicator declined in Ontario and Canada by 0.6 and 0.4 ppt, respectively, to 18.8% and 18.9%, while the part-time employment share rose by 0.4 ppt in Alberta to 17.0%.
Unemployment

In 2015, BC’s unemployment rate rose by 0.1 ppt to 6.2% for the first time after five consecutive years of decline. This marks a reversal of direction that was exhibited in all the western provinces last year.

BC’s labour force grew last year by 1.3% or 32,200 workers to 2.46 million.50 The number of employed workers rose by 1.2% or 27,800 workers to 2.31 million, with 79% of these in full-time jobs, and the rest working part-time.

Declining unemployment rates in BC between 2010 and 2014 were driven to some degree by a downturn in labour force participation rates. In contrast to 2014, there was very little change in the provincial labour force participation rate in 2015, which rose from 63.3% to 63.4%. Since 2010, this indicator has declined by 3.5 ppt, reflecting a variety of individual and society decisions.51 A recent analysis of young workers shows that participation in the 15-19 and 20-24 age groups in BC declined between 2008 and 2014 for both students and non-students. During the same period, post-secondary enrolment in the 20-24 age group increased, explaining the decline in labour force participation.52

After a three-year decline, BC’s youth unemployment rate jumped in 2015 by 0.2 ppt to 11.7%.53 The youth unemployment rate is generally significantly higher than that of the general labour force, and it is also more sensitive to economic slowdown. This is especially evident when looking at Alberta. Last year, Alberta’s youth unemployment rate spiked by 1.2 ppt to 10.7% during a year of economic turbulence. While BC’s rate of 11.7% was higher than Alberta’s last year, Ontario had the highest youth unemployment rate of 14.7% in 2015, while Canada’s was 13.2%.

50 Labour force is defined as total employed workers plus those not working, but available for work and seeking work.
51 Those who opt out of the labour force may do so because they are in school, are transitioning out of the labour market into retirement, staying home as caregivers, or simply giving up on finding employment.
53 Defined here as unemployment rate among workers between the ages of 15 and 24.
BC has seen the most dramatic five-year improvement in labour force educational attainment compared to our other jurisdictions

Educational Attainment

The level of educational attainment in the labour force mirrors the degree of knowledge-based industry in an economy. Greater educational attainment correlates with productivity gains and a higher standard of living, and ultimately makes BC a better place to work.

With a diversifying economy, growing high tech sector, and the widespread dissemination of technological advances across all industries, BC has seen the most dramatic five-year improvement in labour force educational attainment compared to our other jurisdictions. Between 2010 and 2015, the proportion of workers aged 25-54 with at least some post-secondary education in BC grew by 5.9 ppt. In 2015, it grew by 2.1 ppt to 70.2%.

Last year, Ontario’s educational attainment indicator rose by 2.2 ppt to 73.2%, still the highest of all our jurisdictions. The national average increased by 1.9 ppt to 72.1%, while Alberta’s educational attainment level rose by 1.8 ppt to reach 67.9%. The western provinces, including BC, continue to lag behind Ontario and the national average, although BC appears to be catching up.

Percent of Labour Force Age 25-54 with a Post-Secondary Certificate/Diploma or Higher

<table>
<thead>
<tr>
<th>Year</th>
<th>BC</th>
<th>AB</th>
<th>ON</th>
<th>CAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>64.3%</td>
<td>64.1%</td>
<td>68.2%</td>
<td>67.2%</td>
</tr>
<tr>
<td>2011</td>
<td>65.9%</td>
<td>64.3%</td>
<td>69.5%</td>
<td>68.1%</td>
</tr>
<tr>
<td>2012</td>
<td>66.5%</td>
<td>64.4%</td>
<td>70.0%</td>
<td>68.9%</td>
</tr>
<tr>
<td>2013</td>
<td>67.9%</td>
<td>65.1%</td>
<td>70.7%</td>
<td>69.6%</td>
</tr>
<tr>
<td>2014</td>
<td>68.1%</td>
<td>66.3%</td>
<td>71.0%</td>
<td>70.2%</td>
</tr>
<tr>
<td>2015</td>
<td>70.2%</td>
<td>67.9%</td>
<td>73.2%</td>
<td>72.1%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, Custom Table
Real Labour Compensation

Real labour compensation per worker reflects the true economic gain made by individual workers before taxes are deducted and net of inflation effects. It is defined here as the average amount of annual labour compensation per worker, including pre-tax wages and salaries as well as supplementary income paid to employees, and is adjusted for inflation using the provincial Consumer Price Index.\(^54,55\) An increase in real labour compensation per worker can result from growth in productivity and hours worked, as well as favourable changes in terms of trade in world markets.\(^56\) By using pre-tax labour compensation as an indicator, however, we are excluding the effects of the government tax and transfer system.

During the past five years, the western jurisdictions have seen real labour compensation rise faster than the national average. Between 2010 and 2015, real labour compensation per worker in BC grew by 9.5%. In 2015, this indicator rose by 1.1% to $53,373. Alberta’s real compensation per worker rose by 9.4% during the same five-year period, but declined by 2.9% in 2015 to $74,331, still the highest of all jurisdictions.

The five-year growth rate in Ontario’s real labour compensation per worker was 3.5%, with this indicator increasing by 2.0% to $57,678 between 2014 and 2015. In comparison, average Canadian real labour compensation per worker rose by 6.4% between 2010 and 2015, with a 0.5% gain in 2015, to reach an average of $57,071.

The gain in BC’s real labour compensation per worker during the past five years reflects a combination of productivity gains, an increase in total hours worked, and higher labour force participation.\(^57\)

While BC’s compensation rate grew at a rate faster than the national average during the past five years, it still rests below the national average. And in a province with the nation’s highest cost of living and hottest housing market, this spells financial difficulty for many workers and their families.

\(^54\) Supplementary income includes employer contributions to employee welfare, pensions, workers’ compensation and employment insurance.

\(^55\) Includes full- and part-time workers.


\(^57\) Between 2010 and 2014, BC’s productivity rate increased by 8.7%, second only to that of Alberta’s 10.7%. Source: Statistics Canada, Labour productivity and related variables by business sector industry consistent with the North American Industry Classification System (NAICS) and the System of National Accounts (SNA), provinces and territories, Table 383-0029. Accessed June 1, 2016.
BC WAS A GOOD PLACE TO INVEST IN 2015

PRIVATE SECTOR NON-RESIDENTIAL BUILDING INVESTMENT ($000s)
- BC: $3,965
- AB: $9,347
- ON: $14,132

EMPLOYMENT IN THE SCIENCES
- BC: 7.2%
- AB: 8.2%
- ON: 8.3%

VALUE OF EXPORTS PER WORKER
- BC: $14,626
- AB: $26,464
- ON: $37,722

GOVERNMENT NET DEBT AS A % OF GDP
- BC: -1.2%
- AB: 16.7%
- ON: 39.6%

2014-2015 CHANGE in BC
- + 2.8%
- + 0.4 ppt
- - 0.8 ppt
- + 0.3 ppt
Despite its comparatively strong economic performance, our INVEST indicators suggest that BC did not stand out as a place to invest in 2015. Only two out of four INVEST indicators performed favourably. However, a closer look within the context of the BC government fiscal situation suggests otherwise.

BC’s private sector non-residential building investment grew by 2.8% last year, while it declined in our other comparison jurisdictions. Employment in the sciences continued its steady upward trajectory in 2015, rising by 0.4 ppt to account for 7.2% of all employment.

On the downside, the value of BC exports per worker declined by 0.8% in 2015, due to a slump in the prices of our energy exports. And BC’s government net debt/GDP ratio grew by 0.3 ppt to 16.7% in 2015. However, BC enjoys a lower net debt burden than most other jurisdictions, and its debt to GDP ratio is projected to decline over the next three fiscal years as a result of judicious spending and good economic fundamentals.

Despite these setbacks, the trend in BC’s non-residential building investment and its share of employment in the sciences, along with its favourable fiscal position, reflected in a strong credit rating confirms BC as a good place to invest.

### Summary of Invest Key Indicators

<table>
<thead>
<tr>
<th>INVEST INDICATOR</th>
<th>BC</th>
<th>AB</th>
<th>ON</th>
<th>CAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Non-Residential Building Investment ($000s)</td>
<td>$3,965</td>
<td>$9,347</td>
<td>$14,132</td>
<td>$37,618</td>
</tr>
<tr>
<td>Employment in the Sciences</td>
<td>7.2%</td>
<td>8.3%</td>
<td>8.2%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Value of Exports per Worker</td>
<td>$14,626</td>
<td>$37,722</td>
<td>$26,464</td>
<td>$24,952</td>
</tr>
<tr>
<td>Government Net Debt as a % of GDP¹</td>
<td>16.7%</td>
<td>-1.2%</td>
<td>39.6%</td>
<td>31.2%</td>
</tr>
</tbody>
</table>

### 14-15 Change

<table>
<thead>
<tr>
<th>INVEST INDICATOR</th>
<th>BC</th>
<th>AB</th>
<th>ON</th>
<th>CAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Non-Residential Building Investment ($000s)</td>
<td>+2.8%</td>
<td>-0.8%</td>
<td>-1.1%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Employment in the Sciences</td>
<td>+0.4 ppt</td>
<td>+0.4 ppt</td>
<td>+0.1 ppt</td>
<td>+0.2 ppt</td>
</tr>
<tr>
<td>Value of Exports per Worker</td>
<td>-0.8%</td>
<td>-25.9%</td>
<td>+10.7%</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Government Net Debt as a % of GDP¹</td>
<td>+0.3 ppt</td>
<td>+2.3 ppt</td>
<td>+0.2 ppt</td>
<td>+0.2 ppt</td>
</tr>
</tbody>
</table>

### 10-15 Change

<table>
<thead>
<tr>
<th>INVEST INDICATOR</th>
<th>BC</th>
<th>AB</th>
<th>ON</th>
<th>CAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Non-Residential Building Investment ($000s)</td>
<td>+16.6%</td>
<td>+48.6%</td>
<td>+16.8%</td>
<td>+23.3%</td>
</tr>
<tr>
<td>Employment in the Sciences</td>
<td>+0.8 ppt</td>
<td>+0.6 ppt</td>
<td>+0.6 ppt</td>
<td>+0.6 ppt</td>
</tr>
<tr>
<td>Value of Exports per Worker</td>
<td>+22.8%</td>
<td>+3.7%</td>
<td>+29.8%</td>
<td>+23.1%</td>
</tr>
<tr>
<td>Government Net Debt as a % of GDP¹</td>
<td>+1.0 ppt</td>
<td>+9.2 ppt</td>
<td>+5.6 ppt</td>
<td>-1.9 ppt</td>
</tr>
</tbody>
</table>

Source: All indicators in BC Check-Up are based on Statistics Canada Labour Force Survey data and other published sources. Data for Invest indicators are based on Statistics Canada CANSIM Tables 026-0016, 282-0002, 282-0142, BC Stats Export and Import Tables, and RBC Economics Provincial Fiscal Tables.

This data was accessed between May and July 2016.

Notes: An increase in the value of these indicators (except for government net debt as a % of GDP where a decrease indicates improvement) means an improvement in the quality of the province’s Invest environment.

ppt = percentage point

¹ 2015/16p value presented, and percentage changes from 10/11-15/16p and 14/15-15/16p
Private Sector Non-residential Building Construction Investment

Private sector investment in non-residential infrastructure is a good indicator of whether individuals and businesses are confident in a region’s economic prospects, and whether they are inclined to accept the risk of investing there. This is our rationale for including private sector non-residential building investment as an INVEST indicator.58

In 2015, BC’s private sector non-residential building investment rose by 2.8%, to $3.97 billion.59 This was due primarily to a surge in commercial investment, as industrial investment declined.

Commercial investment accounts for approximately 85% of private sector non-residential building construction in BC. Over the past five years, BC’s growth rate of total private non-residential building construction was 16.6%, buoyed by steady gains in commercial investment.

Industrial investment, which comprises the remaining 15% of private non-residential building construction, has been more volatile. In 2007, industrial investment in BC was $551.7 million. The global financial crisis and ensuing economic downturn took its toll in 2009, with industrial investment declining to almost half this value by 2010. But the ensuing five years saw it rebound by 89.6%, with the largest gains between 2010 and 2013. Subsequent to this, there followed two years of decline.

Among our comparison jurisdictions, BC was the only jurisdiction in 2015 to realize a gain of 2.8% in private sector non-residential building construction investment. Alberta’s declined by 0.8%, while Ontario and Canada saw declines of 1.1% and 1.4% respectively. Given the events in Alberta’s energy sector in early 2016, we are likely to see a further decline in Alberta’s private construction investment.

### Non-Residential Building Construction Investment in BC ($000S)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Value in 2015</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Private Sector</td>
<td>$3,964,701</td>
<td>16.6</td>
</tr>
<tr>
<td>Industrial</td>
<td>$544,472</td>
<td>89.6</td>
</tr>
<tr>
<td>Commercial</td>
<td>$3,420,229</td>
<td>9.8</td>
</tr>
<tr>
<td>Institutional and Governmental</td>
<td>$1,618,561</td>
<td>-11.5</td>
</tr>
<tr>
<td><strong>Total Private and Public Sector</strong></td>
<td><strong>$5,583,262</strong></td>
<td><strong>6.7%</strong></td>
</tr>
</tbody>
</table>

Source: Statistics Canada, CANSIM Table 026-0016

58 For this analysis, it is assumed that industrial and commercial building construction is funded entirely by the private sector, while institutional and government buildings are public sector investments. We acknowledge that some private sector investment occurs in institutional and governmental buildings through the existence of public/private partnerships. No breakdown of this exists, and it is assumed that this is a comparatively small amount.

59 This indicator excludes residential buildings, and engineering works such as bridges, roads, and dams.
Employment in the Sciences

Labour market demand for scientists and engineers is driven by technological advancement in the province’s industrial composition. An increase in the employment share of workers engaged in the natural and applied sciences and related occupations not only correlates with the growth of higher-paying occupations, but also captures how equipped the economy is for the process of innovation.60 A growing skilled labour force is not only more productive, but acts as a magnet for businesses attracted to a well-educated labour force. In fact, BC’s pool of qualified technical workers has drawn several major ICT companies in the past few years.

In 2015, BC’s share of employment in the sciences rose by 0.4 ppt to 7.2%. This was one of the largest hikes in this indicator in the past decade. Alberta realized the same percentage point increase last year, with its share of science employment rising to 8.3%, the highest of all our jurisdictions. In Ontario, this indicator rose by 0.1 ppt to 8.2% in the same year, while nationally, the share of employment in the sciences increased by 0.2 ppt to 7.8%.

As of 2015, BC’s share of employment in the sciences was below the national average. But the five-year trend shows that science employment is growing faster in BC than elsewhere. Between 2010 and 2015, this indicator rose by 0.8 ppt in BC compared to 0.6 ppt in all other jurisdictions. The rapid growth of BC’s high tech sector accounts for some of this, but not all. Innovation is happening in all industries and, with it, the need for more qualified workers.

“We are a tier-one production centre now in British Columbia, especially in the Lower Mainland, so we are attracting the top companies in the world. There’s no size or complexity of a production that we won’t attract her. We are now the one of the largest visual effects hubs in the world with companies like Sony Imageworks who has moved their head office to Vancouver. These companies are attracting top talent both within the province and internationally. These companies provide an excellent training ground for British Columbians entering the industry. This is a great way to diversify B.C.’s economy.” – Peter Leitch, FCPA, FCA, president of North Shore Studios and Mammoth Studios

60 Natural and applied sciences include professional occupations in physical and life sciences, engineering, architecture, planning, and a range of related technical occupations.
Exports per Worker

The value of exports per worker rises with export prices and greater shipment volumes, which signifies improvements in the economy and investment climate. The total value of BC’s goods and services exported to international destinations and other provinces in 2015 was $93.2 billion, approximately 39% of provincial GDP.61

The value of exports per worker in BC was $14,626 in 2015, a 0.8% decline from the previous year.62 Comparing among our jurisdictions, BC’s slight decline in exports per worker last year was dwarfed by Alberta, where the indicator fell by 25.9% in 2015 due entirely to a collapse in crude oil prices. Ontario’s export value per worker rose by 10.7% in 2015, while the national trend was a 3% decline, capturing the trend in Alberta.

Wood products, energy, metallic minerals, pulp and paper, and machinery and equipment are BC’s principal exports. The value of wood product exports from BC rose by 4.7% in 2015, while pulp and paper exports saw a 2.3% increase.63 During the past few years, the demand for BC’s softwood lumber has grown, driven by rising demand in the US and China. But slowing demand in China, and competition from lower-cost suppliers, such as Russia, New Zealand, and Brazil, could pose a challenge for BC’s wood product exports in 2016 and 2017.64 The pending expiry of the Canada-US Softwood Lumber Agreement adds to the uncertainty about the US market. Reduced timber supply in BC due to the pine beetle infestation is expected to constrain forest product exports over the long term, although constrained fibre supply will likely boost their prices over the next two years.65

The value of BC’s energy exports slumped by 25.2% last year, with declining coal and natural gas prices significantly offsetting a slight increase in the value of electricity.

Export values of machinery and equipment from BC rose last year by 17.7%. The principal products in this category were motor vehicles and parts, as well as aircrafts and parts, which shipped primarily to the US market. The value of metallic mineral exports took a hit and declined by 2.9% in 2015, with shipments to the European Union and China declining.

Thus, after at least four years of gains in the export value of BC’s top five commodity products, the value decreased in 2015 largely due to market conditions for energy and minerals.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>2010</th>
<th>2014</th>
<th>2015</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood Products</td>
<td>$5,106</td>
<td>$8,132</td>
<td>$8,511</td>
<td>66.7 4.7</td>
</tr>
<tr>
<td>Energy Products</td>
<td>$7,996</td>
<td>$7,803</td>
<td>$5,837</td>
<td>-27.0 -25.2</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>$2,839</td>
<td>$4,091</td>
<td>$4,814</td>
<td>69.6 17.7</td>
</tr>
<tr>
<td>Metallic Mineral Products</td>
<td>$3,163</td>
<td>$4,566</td>
<td>$4,432</td>
<td>40.1 -2.9</td>
</tr>
<tr>
<td>Pulp and Paper Products</td>
<td>$4,037</td>
<td>$4,265</td>
<td>$4,365</td>
<td>8.1 2.3</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$23,141</td>
<td>$28,857</td>
<td>$27,959</td>
<td>20.8 -3.1</td>
</tr>
<tr>
<td>All Other Products</td>
<td>$5,505</td>
<td>$6,908</td>
<td>$7,986</td>
<td>45.1 15.6</td>
</tr>
<tr>
<td>Total Exports</td>
<td>$28,646</td>
<td>$35,765</td>
<td>$35,945</td>
<td>25.5 0.5</td>
</tr>
</tbody>
</table>

Source: BC Stats, Annual data for BC exports with selected destination and commodity detail

---

61 BC Stats, BC GDP Expenditure Based, British Columbia, from Statistics Canada, CANSIM Table 384-0038. Accessed June 7, 2016. Exports are calculated by BC Stats on a Balance of Payment basis and will not match international trade data from other sources, which is on a customs basis.
62 Our analysis of exports focuses on the value of physical movement of tangible goods, calculated with Customs Canada data. Customs data does not capture trade in services or interprovincial trade. Exports are in current dollars.
65 Ibid.
Government Debt as a Percentage of GDP

When expenditure exceeds revenue, a government is often compelled to borrow in order to finance planned expenditures and cover its deficits. In so doing, it accumulates government debt that, if not kept within reasonable limits, can turn into a future burden on taxpayers, reduce the government’s credit rating, and discourage investment. Thus, a decrease in the share of government net debt to GDP is regarded as desirable from an investment perspective.

BC’s provincial budget in February 2016 predicted a fourth year of government surplus of $377 million for the fiscal year 2016/17. BC was one of the two provinces able to declare a surplus for the next fiscal year. Our province’s solid financial results and continued triple-A credit rating is the outcome of past years of fiscal prudence and comparatively strong economic growth. The next few surpluses are forecast to be smaller, at $264 million in 2016/17 and $287 million in 2017/18, as the BC government plans to spend more and borrow for infrastructure investment, while still maintaining a balanced budget.66

Source: Statistics Canada, Labour Force Survey and BC Stats

66 Source: RBC Economics, Canadian Federal and Provincial Fiscal Tables, June 1, 2016. We compare the ‘net liabilities’ of the provinces to ensure that the net debt figures are broadly comparable across jurisdictions. Net liabilities are total financial assets of jurisdictions less all liabilities, which includes taxpayer-supported debt.

67 Ibid.

68 Ibid.
BC WORSENED AS A PLACE TO LIVE IN 2015

**CONSUMER DEBT PER CAPITA**
- **BC**: $60,043
- **AB**: $52,520
- **ON**: $50,721
- **Canada**: $52,715

**LONG-TERM UNEMPLOYMENT**
- **BC**: 0.7%
- **AB**: 0.4%
- **ON**: 0.8%

**YOUTH AT RISK**
- **BC**: 9.9%
- **AB**: 5.9%
- **ON**: 5.4%

**HOUSING AFFORDABILITY**
- **Vancouver**: 76.9%
- **Victoria**: 59.2%
- **BC**: 45.7%
- **Canada**: 59.2%

**2014-2015 CHANGE in BC**
- **Consumer Debt Per Capita**: +2.6 ppt
- **Long-Term Unemployment**: +0.0 ppt
- **Youth at Risk**: +0.7 ppt
- **Housing Affordability**: +4.5 ppt
- **Housing Affordability**: -0.2 ppt

ppt = percentage point
With three of our four LIVE indicators showing less than satisfactory results, it appears that BC worsened as a place to live in 2015, due primarily to the high costs of housing. Consumer debt per capita grew by 2.6% last year to $60,043, the highest level in the country. This was driven largely by growth in mortgage debt that, in turn, was fuelled by skyrocketing housing prices.

Our new live indicator, the RBC housing affordability index, rose by 4.5 ppt to an annual average of 76.9% in Greater Vancouver in 2015. This means that those households that earn the median pre-tax income in Greater Vancouver would be required to spend 76.9% of this on the cost of housing. Clearly, housing prices in Vancouver are now well beyond the reach of average or low-income earners.

On the upside, the affordability indicator for Victoria declined by 0.2 ppt to an annual average of 45.8% in 2015, implying improved housing affordability. And long-term unemployment in BC remained at the same level at 0.7% in 2015, after a five-year decline of 0.1 ppt.

Our youth at risk indicator showed an uptick in 2015, rising 0.7 ppt to 5.9%. This points to greater likelihood of economic hardship for many young workers both now and in the future, with commensurate family and social problems. Nevertheless, youth at risk in BC remains among the lowest of our comparison jurisdictions.

### Summary of LIVE Key Indicators

<table>
<thead>
<tr>
<th>LIVE INDICATOR</th>
<th>BC</th>
<th>AB</th>
<th>ON</th>
<th>CAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Debt per Capita</td>
<td>$60,043</td>
<td>$52,520</td>
<td>$50,721</td>
<td>$52,715</td>
</tr>
<tr>
<td>Long-term Unemployment</td>
<td>0.7%</td>
<td>0.4%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Youth at Risk</td>
<td>5.9%</td>
<td>9.9%</td>
<td>5.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Housing Affordability</td>
<td>Van 76.9%</td>
<td>Vic. 45.8%</td>
<td>34.8% a</td>
<td>59.2% b</td>
</tr>
</tbody>
</table>

**2015 Value**

| Consumer Debt per Capita| +2.6%      | +1.4%      | +6.4%      | +6.2%      |
| Long-term Unemployment  | +0.0 ppt   | +0.1 ppt   | -0.2 ppt   | -0.1 ppt   |
| Youth at Risk           | +0.7 ppt   | +0.9 ppt   | -1.5 ppt   | -0.6 ppt   |
| Housing Affordability   | Van +4.5ppt Vic. -0.2ppt | -0.6 ppt a | +2.2 ppt b | +0.8 ppt  |

**14-15 Change**

| Consumer Debt per Capita| +43.9%     | +49.3%     | +63.4%     | +59.9%     |
| Long-term Unemployment  | -0.1 ppt   | -0.2 ppt   | -0.5 ppt   | -0.1 ppt   |
| Youth at Risk           | -2.3 ppt   | -1.8 ppt   | -2.9 ppt   | -2.3 ppt   |
| Housing Affordability   | Van +3.8ppt Vic. -10.6ppt | -7.5 ppt a | +9.5 ppt b | -0.2 ppt  |

**10-15 Change**

| Consumer Debt per Capita| +27.0%     | +21.0%     | +33.4%     | +30.1%     |
| Long-term Unemployment  | -0.1 ppt   | -0.2 ppt   | -0.5 ppt   | -0.1 ppt   |
| Youth at Risk           | -2.3 ppt   | -1.8 ppt   | -2.9 ppt   | -2.3 ppt   |
| Housing Affordability   | Van +3.3ppt Vic. -10.6ppt | -7.5 ppt a | +9.5 ppt b | -0.2 ppt  |

---

Note: A decrease in the value of these indicators means an improvement in the quality of the province’s Live environment.

ppt = percentage point

69 Percentage share of median pre-tax household income required to cover the cost of mortgage payment (principal and interest), property taxes and utilities based on the median market price for an overall aggregate of housing types.
Consumer Debt per Capita

Consumer debt in Canada has been growing steadily over the past decade, fuelled by rising housing prices, low interest rates, relaxed lending practices by banks and credit card companies, and a change in consumers’ attitude towards indebtedness. Total consumer debt held by banks and credit unions in Canada grew by 68.6% to $1.9 billion between 2010 and 2015.\(^\text{70}\) Consumer debt includes both personal debt (credit card, personal lines of credit, personal loans, etc.) and mortgage debt. Greater debt loads make consumers and their families more vulnerable to a sudden loss of employment, illness or a change in interest rates. Thus, a rise in this indicator implies that BC is worsening as a place to live.

BC’s consumer debt per capita increased by 2.6% in 2015 to $60,043, the highest level in the country. With the exception of last year, this was the slowest annual rate of per capita debt growth in BC in almost a decade, marking a cooling off in non-mortgage borrowing, such as credit cards, personal loans, and lines of credit. But mortgage loans comprise approximately three-quarters of consumer borrowing in BC, and this is what has been driving growth in personal borrowing. Between 2010 and 2015, residential mortgage loans at chartered banks and credit unions in BC grew by 66.1%, with a 5.2% growth rate in 2014/15.

Comparing with our other jurisdictions, Alberta saw the slowest increase in debt per capita last year, with a growth rate of 1.4% to $52,520. BC, with 2.6%, ranked second. In Ontario, consumer debt per capita rose by 6.4% to $50,721 — its fastest one-year growth rate since 2010 — while the Canadian growth rate in this indicator was 6.2%. The national average debt per capita was $52,715 in 2015.

Given the unprecedented appreciation in housing prices during the past few years and, in particular, since the beginning of 2015, it is little surprise that mortgage borrowing in BC has grown at such a rapid rate. Some chartered banks have recently expressed concern at Vancouver’s skyrocketing housing prices, and are scaling back mortgage lending accordingly.\(^\text{71}\)

**Total Consumer Debt per Capita**

Proof of BC’s high level of financial vulnerability, primarily due to the overheated housing market, is the average provincial savings rate of -1.9% in 2015.\(^\text{72}\) Last year, BC was the only one of our comparison jurisdictions with a negative savings rate. Spectacular gains in housing prices not only present problems of affordability to new and young home buyers, but will fuel more consumer borrowing in the absence of measures to dampen mortgage lending, or a significant slowdown in housing prices. This, in turn, will prompt greater financial vulnerability at the individual and aggregate level.

---

\(^{70}\) Canadian chartered banks and provincial central credit unions. This is a conservative estimate because personal debt data does not include: trust and mortgage loan companies, credit unions, life insurance companies, non-depository credit intermediaries, and special purpose corporations. Mortgage debt does not include: trust and mortgage loan companies, credit unions, life insurance companies, NHA mortgage-backed securities, pension funds, non-depository credit intermediaries, and special purpose corporations.

\(^{71}\) Jonathan Shmuel, Banks add fuel to concerns over housing, finance department ‘prepared to take further action’, Financial Post, June 2, 2016.

\(^{72}\) Statistics Canada.
Housing Affordability

The escalation of housing prices in BC has driven up consumer mortgage debt and, consequently, financial vulnerability in many households. But the rising cost of housing has a more far-reaching effect than this. In BC, housing prices have become a significant financial barrier to young, first-time or even average-income buyers hoping to purchase a home, with excessive debt as one outcome.

There are several ways to reflect the gap between income and housing costs, but we have chosen the RBC housing affordability index as our new indicator. This index shows the “proportion of median pre-tax household income that would be required to service the cost of mortgage payment (principal and interest), property taxes, and utilities based on the median market price for an overall aggregate of housing types in a given market.” A rise in the value of this indicator means more household income is required to meet the cost of purchased housing, making it less affordable. As no provincial averages are yet available, we have chosen the major housing markets for each of our comparison jurisdictions — Greater Vancouver, Victoria, Calgary, Greater Toronto Area, and Canada.

Between 2014 and 2015, the affordability indicator in Greater Vancouver rose by 4.5 ppt to an annual average of 76.9%, driven by a red hot market for single-detached homes. This result tells us that, for households that earn around the median pre-tax income in Greater Vancouver, 76.9% of this income would be spent on the cost of housing. With an average single detached home priced at $1.56 million in June 2016 in Greater Vancouver, buying a single-detached home is no longer feasible for average earners in Greater Vancouver.

The affordability indicator for Victoria shows housing has consistently been less expensive than in Greater Vancouver, and that the value of Victoria’s index declined by 0.2 ppt to an annual average of 45.8% in 2015, implying improved affordability. However, there has been a recent boost in Victoria home prices as Vancouver homeowners uproot and relocate to the Island. A comparison with Calgary shows that housing in that city became more affordable over the past five years, with the affordability index declining by 7.5 ppt to an annual average of 34.8% in 2015. This is due to declining or stagnant prices since 2011, as well as comparatively high pre-tax median incomes. In Greater Toronto, the value of the affordability index rose by 9.5 ppt between 2010 and 2015, and 2.2 ppt in 2014 and 2015, to an annual average of 59.2%. While this is a significant increase, housing remains far more affordable in the Greater Toronto Area than in Greater Vancouver.

The deterioration of housing affordability in Greater Vancouver has not only fuelled rising debt burdens and excluded new buyers, but the imbalance of housing supply and demand is making itself felt in the rental market, too. Young workers just starting out often cannot afford Vancouver rents, or are compelled to share accommodation. Housing is cited as the reason that many young workers and families, many with their roots in Vancouver, are leaving for other communities and provinces in the hopes of being able to afford a home. It is also acting as a deterrent to professionals and new graduates outside of BC who are offered jobs in Vancouver, for example in the IT industry.

Source: Statistics Canada, Labour Force Survey

73 RBC Economics, Housing Trends and Affordability, February 2016. Aggregate index includes single-detached and condos, as well as other categories such as semi-detached, row housing, townhouses and multiplexes. Single-detached homes and condos comprise 90% of housing types. Excludes rental costs.

74 Real Estate Board of Greater Vancouver, MLS Home Price Index, retrieved August 2, 2016.
“The reason why it is so hard to find young people to come here to work is because housing is expensive. In a region that has high housing costs, wages do make a difference. They need to have a certain salary level in order to afford living here in Victoria.” Ida Chong, FCPA, FCGA, former BC cabinet minister

Long-Term Unemployment

The unemployment rate is the key indicator for labour market conditions, but Statistics Canada also produces a range of supplementary indicators to provide a better understanding of specific aspects of the workforce. This includes the long-term unemployment rate, which looks at the share of the labour force that has been out of work for 52 weeks or more.75

Long-term unemployment presents an array of personal and social problems to workers and their families. Those who have been out of the labour force for a year or longer often have a difficult time re-entering the labour market.

At 0.7%, there was no change in the long-term unemployment rate in BC between 2014 and 2015. The five-year trend in this indicator in BC was a decline of 0.1 ppt.

Ontario and Canada both had long-term unemployment rates of 0.8% last year. Ontario’s rate declined by 0.2 ppt in 2014/15, while the Canadian average declined by 0.1 ppt. In Alberta, the long-term unemployment rate rose by 0.1 ppt last year to 0.4%, still the lowest of all jurisdictions. However, long-term unemployment in Alberta is likely to continue to increase in 2016, due to the contraction of activity in the oil and gas industry.

Since the 2009 recession, the long-term unemployment rate rose across North America and has stayed at a higher level in the US since then, although government has strived to mitigate this serious problem with targeted grants and training programs. OECD statistics show that Canada’s long-term unemployment rate is among the lowest in the OECD countries, well below that of the US.76

Youth at Risk

Young workers without high school completion generally have dimmer employment and earnings prospects. High school dropouts often have difficulty in finding meaningful work. They may face prolonged unemployment or poverty, or may require economic or social support during their lifetime. This can have negative family or social effects. Our indicator of youth at risk is defined as the percentage of the labour force between the ages of 19 and 24 with less than high school education. While social or family problems arise from many sources, and occur across all income and education levels, the purpose of this indicator is to focus on the part of the population where there is an elevated likelihood of social difficulties related to chronic economic hardship.

---

75 Ages 15 and older.
76 OECD. (2015). Long-term unemployment has risen in a large majority of countries, but sharp hikes are confined to only a few, Q4 2007 and Q4 2014: Long-term unemployed (more than one year) as a percentage of total unemployed, in OECD Employment Outlook 2015, OECD Publishing, Paris. DOI: http://dx.doi.org/10.1787/empl_outlook-2015-graph4-en
Despite a slowdown in the national economy in 2015, BC rallied for the second year in a row, with the highest GDP growth rate of all provinces. BC’s resilient economic and investment conditions were reflected in over half of our indicators for 2015.

Based on our WORK indicators, BC improved as a place to work as the province saw positive job creation for the sixth year in a row, accompanied by an increase in the educational attainment of our labour force and a slight increase in average labour compensation. Employment in the sciences also improved. Combined, these statistics point to improved productivity, growth of the service sector, an infusion of new skills from immigrants and ultimately a shift towards a more knowledge-based economy across all industries.

We expect BC to become an even more attractive place for investment. A rebound in private sector non-residential building investment after a decline in 2014 indicates stronger investment confidence, which is buoyed by the province’s prudent fiscal policy focused on achieving surpluses and its subsequent triple-A credit rating.

However, due to its high cost of living, BC has deteriorated as a place to live in 2015. The province has the highest consumer debt per capita in the country, largely driven by mortgage debt. This is unsurprising, given households with median pre-tax income in Greater Vancouver are now required to spend more than three-quarters of their income on housing. This notwithstanding, BC’s economy is well positioned for growth over the next few years.
BC Check-Up

As leaders in analysing and validating information, CPAs 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 Professional Accountants of British Columbia (CPABC) 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.

CPABC Executive Committee

David Hallinan, FCPA, FCMA, Chair
Heather Banham, FCPA, FCGA, First Vice-Chair
Barry Macdonald, FCPA, FCA, Second Vice-Chair
Douglas Lang, CPA, CGA, Treasurer

Staff

Richard Rees, FCPA, FCA, President & CEO
Vinetta Peek, FCPA, FCMA, Executive Vice President, Marketing & Business Development
Kerri Wilcox, Vice President, External Affairs & Communications
Vivian Tse, Public Affairs Specialist

Economists

Chisholm Consulting, in association with Gold Island Consulting.

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

Opinions expressed in the BC Check-Up, 2016 do not necessarily reflect those of individual chartered professional accountants.

BC Check-Up
800-555 W. Hastings Street
Vancouver, BC V6B 4N6
Tel: 604 872.7222
Toll free in BC: 1 800 663.2677

www.bccpa.ca

© BC Check-Up, Chartered Professional Accountants of British Columbia