



Volume 10 · Number 3
Fall 2007

INSIDE:

Weighing in on What Matters: How BC Ranks on the 2007 Cascadia Scorecard
page 2

Update on the "Conversation on Health"

Field Notes from the Conversation on Health
page 3

Public Solutions and Private Interests in BC's Health Care System
page 4

BC Needs to Enforce Health Care Laws
page 5

A Tree too Far: BC's Devastating Response to the Pine Beetle Catastrophe
page 6

Negotiating Without a Floor: BC's Exclusion of Union Members from Employment Standards
page 7

The Clock is Ticking on Homelessness and the Olympics

By Marc Lee

At the Vancouver Art Gallery is the official countdown clock for the 2010 Olympics: there are now well less than one thousand days left until the opening ceremonies. That may seem like plenty of time, but for folks concerned about the crisis in affordable housing, there is a lot of work to be done to get the place in shape.

While there is lots of housing being built right now, the problem with the current boom is that almost none of it will be affordable. The mass marketing campaigns plastered on billboards and in full-page newspaper ads have one thing in common: an obsession with luxury, exclusivity and privilege. This inner-city housing aims to safely tuck away affluent people from the homeless on the street, not to reduce the latter's numbers.

This should be no surprise: this is the market in action. Developers build to make money on their investments. And poor people are not profitable.

With this context in mind, a group of unlikely collaborators called the Inner-City Inclusive Housing Table produced a report in March with 24 recommendations to end homelessness by 2010. The report's centrepiece is a call for 3,200 units of social housing between now and the Games, a target that is not that radical. Back in the days when the federal and provincial governments were still in the business of creating social housing (before 1993), we built 2,000 units per year in BC.

On the other hand, the table was under the wing of VANOC and its participants included such figures as developer Robert Fung, Al Kemp of the BC Apartment Owners and Managers Association, and



Peter Simpson of the Greater Vancouver Home Builders Association, in addition to representatives of three levels of government, and a number of community service providers. So consider it a broad-based recognition of the need for action. Since the report came out, over 100 organizations have endorsed its recommendations.

To directly address the immediate crisis, the 3,200 units would largely be "supportive housing" units for people with mental health and/or addiction problems. This model, where access to health care and other supports is provided on site, has proven to be successful here and elsewhere.

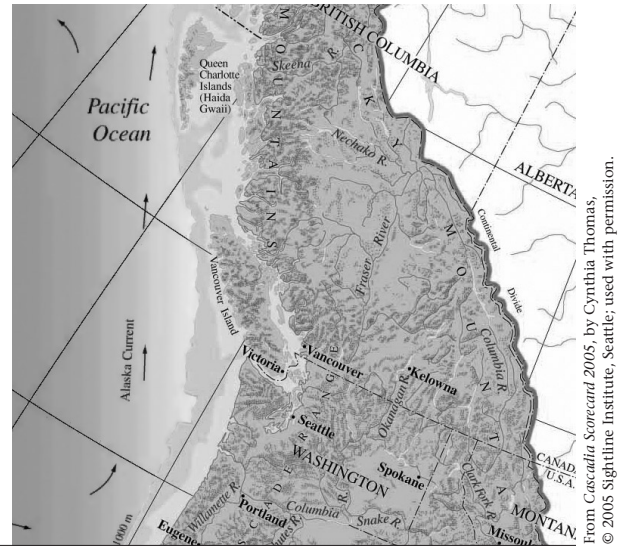
The good news is that resources are available to make this happen. The provincial government and most developers use a back-of-the-envelope estimate of \$200 per square foot for developing multi-unit housing. So a 500 square foot condo unit would cost about \$100,000 to build. If we add in another \$50,000 per unit for land, and \$50,000 for permits, fees and a safety margin for cost overruns, call it \$200,000 per unit.



Weighing in on What Matters: How BC Ranks on the 2007 Cascadia Scorecard

From the Sightline Institute

As an antidote to one-sided measures of progress like GDP, the Sightline Institute launched the annual Cascadia Scorecard for BC and the US Pacific Northwest in 2004; the 2007 Scorecard was published in June. It tracks seven trends that deeply affect our region over the long term, from wages to employment prospects, and from the health of our natural heritage to our prospects for an energy-efficient economy.



We care about the economy because it helps provide us with things we truly value: security, meaningful work, and the opportunity to pursue our interests and passions.

So how does BC stack up in 2007?

First, British Columbia “scores” better than Washington, Oregon, and Idaho on a number of the indicators, including health (British Columbians live an average of two years longer than other Cascadians); energy efficiency (per person, British Columbians use about one-third less highway fuels and electricity in their homes and businesses); and sprawl (Vancouver and Victoria are the most compact cities in the region). The province even has the lowest teen birthrate in the region, by far.

British Columbia also offers an example of how connected these trends are: part of the reason the province’s residents have a longer lifespan is because BC cities—especially Vancouver—have invested in walkable, compact urban design that promotes physical activity. And less sprawl means people drive less, which lowers fuel use and greenhouse gas emissions.

The news is not all good, though, especially when you start comparing BC with other parts of the world. British Columbians still consume nearly double the rate of more energy-efficient nations such as Germany. Per capita diesel use in BC has risen by a third since 1990, and electricity use is on the rise.

And while the province’s climate action plan includes ambitious targets for reducing greenhouse gas emissions, plans are also in the works to expand the road network through efforts such as the Gateway Program, which could jeopardize the province’s leadership in climate and curbing sprawl.

Also troubling is the province’s record on economic security. By examining measures such as unemployment, poverty, and median income, the 2007 Scorecard found that, despite recent improvements, a larger share of BC residents were below the low-income cutoff than in 1990. BC’s median income (a good gauge of middle-class well-being) also lagged behind 1990’s level, and is well below the highs of the 1980s, after adjusting for inflation.

A bright spot is that unemployment has continued to decline from the much higher levels of the early 1990s. But overall, economic security for lower- and middle-income residents in British Columbia remains lower than it was in 1990, and is still out of reach for far too many British Columbians.

To improve regional progress on the Scorecard as a whole, we can focus on “ripple-effect” solutions that affect several trends at once. For example, investments in compact, walkable communities reduce gasoline use (and spending on gas), help us become healthier by encouraging walking, and help curb sprawl. British Columbians already outperform the rest of Cascadia in these areas, but they need to be vigilant in maintaining their lead.

Sightline’s *Cascadia Scorecard* aims to be a step towards measuring what British Columbians and other Cascadians value. Fundamentally, we don’t care about the economy for its own sake but because it helps provide us with things we truly value: security, meaningful work, and the opportunity to pursue our interests and passions. The economy is just a means to these ends, not an end in itself.

Field Notes from the Conversation on Health

By Seth Klein

When the Premier launched the “Conversation on Health” in the fall of 2006, I was skeptical. Nevertheless, along with thousands of other British Columbians, I submitted my name, and as luck would have it, in early July, I was randomly selected to join the final public forum in Vancouver (the odds of selection in Vancouver were one in seven).



It was an excellent and heartening day! The support for a strong public system, and against privatization, was overwhelming. As the BC Health Coalition has noted, this has been consistent in all the other 15 community public forums. Moreover, the solutions that were proposed and supported were those we at the CCPA have been advocating for years:

- Focus on building up the community health sector (long-term care, home support, home care, community mental health services, and 24-hour multidisciplinary team-based primary care community health centres), in order to take pressure off the more expensive acute and emergency systems;
- Focus on prevention and the socio-economic determinants of health (poverty and homelessness, etc.);
- Tackle rising drug costs by expanding the reference drug program and bulk buying in the public system;
- Reduce wait times by expanding the use of specialized surgical clinics *within the public system* and by creating regional wait lists.

Particularly rewarding was seeing first-hand the degree to which many participants were clearly drawing on the CCPA’s work. *Every* break-out group looking at the question of financial sustainability flatly rejected the government’s claim of a crisis (see *Is BC’s Health Care System Sustainable? A Closer Look at the Costs of Aging and Technology*, downloadable from www.policyalternatives.ca). They rejected the government’s chosen measure—spending as a share of the provincial budget—and instead argued

that spending as a share of GDP was a more appropriate measure of our collective capacity to pay. And participants rightly pointed out that spending by this measure has not been increasing.

The work we’ve done on public solutions to reducing wait times (see next page) was also clearly in play. Three people I didn’t know came up to thank me, and tell me how grateful they were to have our documents to draw upon in preparation for their participation.

If the government went into this exercise with pre-conceived conclusions and committed to increased privatization, then it is safe to say that the Conversation has gone sideways on them.

Worth noting, I thought the day was very well structured, and, while I may be proven naïve, I am confident that everything I’ve just reported will be reflected in the final public report on the Conversation. So the outstanding issue will be whether the BC government will truly listen. If they don’t, it will be clear and transparent that they are choosing to ignore the views of the very conversation they initiated.

Seth Klein is the CCPA–BC Office Director.

Every break-out group looking at the question of financial sustainability flatly rejected the government’s claim of an impending funding crisis.

Public Solutions and Private Interests in BC's Health Care System

By Alicia Priest & Jacky Davis

When it comes to surgical waitlists we are currently experiencing a 'eureka' moment. Although waiting for surgery is the hottest political problem facing Canadian health care today, resorting to more private care in order to ensure timely access to care is not necessary.



In BC, instead of replicating these proven strategies on a province-wide scale, the government appears to be moving toward more privatization.

Low-cost public solutions to long wait times are being used to fast-track procedures such as hip and knee replacements. Successful projects currently underway in BC and elsewhere in Canada show that the private sector does not have a monopoly on innovation and efficiency.

One of the most impressive projects is the Richmond Hip and Knee Reconstruction Project, a bargain at \$1.3 million in start-up costs. It has slashed median wait times for surgery up to 75 per cent. Wait lists shrank by 27 per cent and cases completed increased by 136 per cent.

How did they do it? Staggering operations between two dedicated surgical rooms, making clinical and surgical practices consistent and investing in new equipment were critical. But none of these changes would have happened without the project's core strength—cooperation and collaboration from everyone involved, from cleaners to surgeons to community care workers.

Project leaders also created a 'toolkit' containing practical information on how to replicate their success. Richmond's innovations were embraced by a number of facilities, in particular Lion's Gate Hospital's Joint Replacement Access Clinic and UBC Hospital's Centre for Surgical Innovation. Both facilities have also dramatically cut wait times for hip and knee replacements.

Similar projects exist across Canada, but not in nearly enough numbers. It's a curious situation given the attention governments pay to the wait list issue. In BC, instead of replicating these proven strategies on a province-wide scale, the government appears to be moving toward more privatization.

For example, Brian Day, the new President of the Canadian Medical Association, is proposing a new form of hospital funding that would create a competitive market in health care, based on recent changes in the United Kingdom.

In a nutshell, the UK reforms involve: guaranteed public funding for private surgery clinics; a shift from global-funding for public hospitals to payment after the fact based on the number of patients they attract for specific services; and a 'patient choice' component whereby family doctors must offer patients a choice of five hospitals, one of which must be a private clinic. The result is an environment where everyone—public and private—competes with everyone else for patients.

Since the first reforms began about three years ago a number of professional organizations and academics have sounded alarm bells. Their concerns include patients receiving unnecessary care, greater inefficiency in the system, higher administrative costs and a worry that the "choice" element benefits only the wealthy and articulate. These doubts were clearly expressed at the British Medical Association's 2005 annual meeting when delegates passed a unanimous resolution that "more emphasis should be placed on collaboration as opposed to competition."

The pros and cons of a parallel private/public delivery system have been rigorously researched. The international evidence concludes that a competitive environment created by such an arrangement results in:

- Longer waits for patients in the public system because private clinics draw scarce doctors and nurses out of the public system;

BC Needs to Enforce Health Care Laws

By Colleen Fuller & Stuart Murray

At the new False Creek Urgent Care Centre, patients will have to pay a fee of \$199 for a physician consultation that, normally (reimbursed through the Medical Services Plan) costs between \$60 and \$80. A spokesperson for the company said these higher fees might be required to get the necessary return on investment.



Are these user charges for emergency health care services legal?

BC is violating the federal Canada Health Act if it fails to prevent extra user charges to patients—provinces that allow providers to charge extra for publicly-insured hospital and physician services are breaking the law.

BC's Medicare Protection Act also protects patients from unscrupulous user charges. Services covered by the public insurance system—the Medical Services Plan (MSP)—cannot be covered by private insurance. Doctors can either bill MSP directly or bill the patient who in turn is reimbursed by MSP.

Doctors can unenroll from MSP altogether; in these cases they directly bill their patients who are unable to seek a reimbursement from either a public or private insurer. For obvious reasons, very few doctors are unenrolled.

False Creek Urgent Care Center said it had recruited doctors who are not enrolled in BC's MSP. In response, George Abbott said "it would appear we

would have no basis for any legal action against the clinic."

However, Abbott's legal spin is out of sync with the law. Both the Canada Health Act and the Medicare Protection Act prohibit any physician, regardless of whether they are enrolled or not, from billing patients a higher fee than the MSP rate. The False Creek Urgent Care Centre can charge patients directly, but not for more than the fee allowed under the Medical Services Plan.

Minister Abbott is carefully side-stepping his obligation to uphold the law and thereby protect and advance the public interest. In the process, he is actively encouraging the proliferation of for-profit clinics, and the development of a health care system based on cash, not need. This is exactly the opposite of what British Columbians have told the government they want in the Conversation on Health.

Colleen Fuller is a health policy analyst and research associate with the CCPA-BC Office. Stuart Murray is a CCPA researcher.

Minister Abbott is carefully side-stepping his obligation to uphold the law and thereby protect and advance the public interest.

*Continued from opposite page
Public Solutions and Private Interests*

- Greater average severity of illness among patients in the public system because private clinics 'cream-skim' those who are cheaper and easier to treat; and,
- Higher health care costs because private clinics tend to charge higher prices.

In 2004 the *British Medical Journal* reported that the public system was charged 11 per cent more on average and up to 40 per cent more for some procedures performed in private clinics than for the same procedures performed in public hospitals.

Broader implementation of efficiencies depends on more collaboration. A health care marketplace—where private clinics and public hospitals go to battle for patients—depends on just the opposite.

Alicia Priest is a journalist and former nurse, and co-author of Why Wait? Public Solutions to Cure Surgical Waitlists, published by the CCPA in May. Dr. Jacky Davis is a British consultant radiologist and clinical director who has worked in the National Health Service for 35 years. She is a founding member of the Keep Our NHS Public campaign.

A Tree too Far: BC's Devastating Response to the Pine Beetle Catastrophe

By Ben Parfitt

Cookie-cutter responses to big problems have a way of backfiring, with the cure often proving worse than the disease. The response to the mountain pine beetle attack is a classic case in point.



Perpetuating the indiscriminate over-cutting of our forests and rampant wood waste is a betrayal of the environment, working people and resource communities.

The beetles' shocking tear through our forests is often portrayed in apocalyptic terms and with good reason. The pine tree-killing bugs have ripped through British Columbia, are now well established in Alberta, and on the cusp of entering the continent-wide boreal forest.

But what tends to get lost in all the accounts of millions of hectares of forest "killed" by the beetles is that there are still plenty of healthy trees out there. And therein lies the dilemma.

A host of disturbing trends have emerged during the current beetle-fuelled salvage logging boom. Perhaps the most significant is that while there is clear evidence that the logging of beetle-attacked pine trees has increased, live spruce and fir are also being cut. In fact, for every two pine trees logged, one or more spruce or fir come down.

Compounding worries, in many "pine-leading" forests large numbers of trees have survived the attack unscathed. These so-called "understorey" trees are smaller than the surrounding dead, older pine, and they are flourishing. When such sites are logged, all those healthy trees are levelled in the name of salvaging economic value from the dead pine.

This is a horrendous waste. First, forests that sustain wildlife and moderate water flows—helping to mitigate catastrophic floods—are wiped away.

Second, all the years that it took those healthy understorey trees to grow is wiped away, too. Fieldwork by provincial and federal forest scientists suggests that if the dead pine were just left alone on such sites, it would take as few as 20 years for the living trees in their midst to reach a commercial size. That is far more desirable than

logging such sites today, destroying all the trees, setting the reforestation clock back to zero, and having no economic prospects for 80 or more years.

The same scientists say that if we left these and other sites alone for now, only about one-quarter of forests where pine trees dominate would make sense to log and replant.

The other troubling thing about the current logging boom is that more and more usable wood is getting wasted. Last year, roughly 46,000 highway truckloads of usable logs were abandoned at Interior logging operations. Those logs could have put another 1,300 people to work turning out products that many of us use, products that have the added benefit of locking up carbon. Instead, all those logs were pushed into piles and burned, releasing another 1.5 million tonnes or so of CO₂ into the atmosphere.

Perpetuating the indiscriminate over-cutting of our forests and rampant wood waste is not the way to go. It is a betrayal of the environment, working people and resource communities.

Ben Parfitt is Resource Policy Analyst with the CCPA-BC Office and author of Over-cutting and Waste in BC's Interior: A Call to Rethink BC's Pine Beetle Logging Strategy, co-published by the BC Federation of Labour; BC Government and Service Employees Union; CCPA-BC; Communications, Energy and Paperworkers Union; ForestEthics; Pulp, Paper and Woodworkers of Canada; Sierra Club of Canada BC Chapter; Sierra Legal Defence Fund; United Steelworkers of America; Valhalla Wilderness Society; and Western Canada Wilderness Committee.

Negotiating Without a Floor: BC's Exclusion of Union Members from Employment Standards

By David Fairey

Bill 48, the Employment Standards Amendment Act (2002), wiped out equality rights for thousands of BC workers. The Bill arbitrarily excludes unionized workers from the Employment Standards Act (ESA), the law that establishes minimum core workplace protections and benefits.



Taking these rights away from unionized workers was only one of many sweeping changes Bill 48 made to the Act. But this particular amendment has received scant attention, even though it represents one of the more significant changes.

Employment standards deal with issues vital to economic security—minimum wages, minimum and maximum hours of work, overtime pay, parental leave, vacations, statutory holidays, and other key workplace rights. The ESA should provide a starting point for negotiations for improved working conditions when employees negotiate a collective agreement. Employment standards also establish a fair playing field among employers, reducing unfair competition by unscrupulous employers.

At first glance, the exclusion of unionized workers from the ESA may not seem of great concern. After all, it is particularly important to society's most vulnerable and lowest-paid employees. Unionized workers have unions to protect them, and most of us assume that their collective agreements provide pay and working conditions that are superior to the basic ESA provisions. On closer examination, it becomes clear why virtually every major business lobby in the province pushed the new government in 2002 to strip unionized workers of the basic rights enshrined in the ESA.

Before Bill 48, the basic rights and protections in the ESA were important even to unionized workers for four reasons. First, if a worker's collective agreement contained provisions that went below the basic floor established by the ESA (for example, overtime pay less than what was guaranteed in the Act), he or she could grieve this provision to the Labour Relations Board and have the substandard clause deemed illegal. Not anymore.

Second, prior to 2002, when unions were negotiating collective agreements, their efforts focused on winning better pay and conditions than the basic provisions in the Act. Now, they must spend a chunk of their efforts simply re-winning basic rights that others have in the law.

Third, traditionally, on matters where a collective agreement was silent, the ESA served as the default. Not anymore. Bill 48 left gaping holes in hundreds of collective agreements. The government did not give unions the opportunity to re-open their collective agreements to ensure their members were not exposed, and some employers have exploited these gaps to deny workers protections enshrined in the Act. When unions have grieved these to the Labour Relations Board, the employers have won. The lost rights have involved such matters as maximum hours of work per week, overtime pay, and severance pay in lieu of minimum notice of termination.

Finally, Bill 48's exclusion of unionized workers also opened the door to collaborative deals between employers and "alternative" employer-accommodating unions, in which they "opt out" of the legal protections of the Act, and agree to conditions of employment below what all other workers are required to receive by law. Bill 48 creates an incentive for employers to seek out and certify with such unions.

And that is precisely what has been happening. BC's largest employer-accommodating union, the Christian Labour Association of Canada (CLAC), has expanded its membership in BC since 2002, and has been negotiating collective agreement provisions that are below the minimum standards of the Act. My research found many CLAC

*In no other province
can employers
pressure unions
to "opt out" of
employment
standards law as
they now can
(and do) in BC.*

Continued on page 8

Continued from page 1

The Clock is Ticking on Homelessness and the Olympics

The cost of the VANOC 3,200 units is thus \$640 million. This is a lot of money to you and me, but we have to remember that BC is a big province with a total GDP in 2007 of about \$188 billion. In contrast, over the past three years, the provincial government has had a surplus of revenues over expenditures of \$10 billion, with another \$3 billion surplus expected this year. The cost of meeting the VANOC units thus amounts to less than one-sixth of last year's \$4 billion budget surplus.

In addition to the up-front capital cost, there would also be an ongoing cost of running the housing. But we should not necessarily think of this as a cost increase. A study done in 2001 for the provincial government found that while it costs money to house the homeless, doing so is actually cheaper than the indirect costs of neglect—paid for through expensive visits to emergency rooms, the criminal justice system and other social services.

The bottom line: we can afford to do this—and more. The cost of land accounts for one quarter of the cost per unit in my estimate but the City of Vancouver has already set aside land that could lead to 2,000 units of social housing.

Ultimately, we need a long-term, “big bang” approach to affordable housing that guarantees a percentage of affordable units as new housing development happens. If we do not ensure it by design, it will simply not be there. In the meantime, we need action.

The Housing Table report provides a good starting point for addressing the worst problems of addiction and mental health problems related to homelessness, and all levels of government should make it a top priority.

Marc Lee is Editor of BC Commentary and Senior Economist with the CCPA-BC. This article first appeared in theyee.ca.

Continued from page 7

Negotiating Without a Floor

agreements with clauses regarding overtime pay, annual vacations with pay, and termination pay that are below the ESA floor.

Ultimately, this is a matter of fairness. The exclusion of unionized workers from the ESA denies thousands of people legal rights to which they are entitled, simply by virtue of membership in a union. In no other province can employers pressure unions to “opt out” of employment standards law as they now can (and do) in BC. All BC workers should be guaranteed the same minimum employment rights, regardless of their union status.

David Fairey is a labour economist with the Trade Union Research Bureau, and a research associate of the Canadian Centre for Policy Alternatives. He is the author of a recently released CCPA report titled Negotiating Without a Floor: Unionized Worker Exclusion from BC Employment Standards (produced as part of the Economic Security Project, led by the CCPA and Simon Fraser University).

Continued from page 2

Weighing in on What Matters: Cascadia Scorecard

The non-profit Sightline Institute is based in Seattle. They publish the annual Cascadia Scorecard, which can be downloaded at www.sightline.org/scorecard07. The BC part of the Scorecard is available at www.sightline.org/research/bc/res_pubs/bc_scorecard07.

MORE RESOURCES ON BC ISSUES

www.policyalternatives.ca

Find all the recent facts and analysis on social, economic and environmental issues facing BC.

Opinion pieces, reports, briefs and more.

research • analysis • solutions

BC COMMENTARY

a publication of the BC office of the Canadian Centre for Policy Alternatives

1400 – 207 West Hastings Street
Vancouver, BC V6B 1H7
tel: 604-801-5121
fax: 604-801-5122

www.policyalternatives.ca

Editor: Marc Lee
<marc@policyalternatives.ca>

Layout & Production: Terra Poirier
<terra@policyalternatives.ca>

Any errors and opinions presented in this paper are those of the authors, and do not necessarily reflect the views of the Canadian Centre for Policy Alternatives.