BC COMMENTARY

a review of provincial social, economic and environmental trends



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INSIDE:

Legal safeguards for tenants are meaningless without enforcement By Kendra Milne page 3

Anti-poverty movement, meet the culture of medicine By Dr. Vanessa Brcic page 4

You always learn something when accountants feud By Keith Reynolds page 5

BC's "big favour": Will LNG exports reduce global greenhouse gas emissions? By Marc Lee page 7

BC Jobs Plan reality check: The first two years

By Iglika Ivanova

In September 2011, the provincial government launched the BC Jobs Plan. The plan was a direct response to the slow labour market recovery that followed the 2008–2009 recession, and aimed to "create good jobs families can count on." Since the plan's launch, the province has issued progress reports every six months declaring it a success.

In January, the CCPA published an independent assessment of the BC Jobs Plan, and it uncovers a very different story. We take a closer look at BC's recent job market performance, and find significant weaknesses two years into the government's plan, chiefly:

- While the total number of jobs in BC has increased since the plan was announced, job creation has been weaker than in the first two years of the recovery, particularly in the private sector. The private sector lost over 12,000 jobs in the first ten months of 2013.
- BC's job market stalled in 2013, losing close to 4,000 jobs in the first ten months of the year, while most other provinces saw employment growth. This puts BC in eighth place on job creation in 2013, far from the BC Jobs Plan target of first or second place.
- The Jobs Plan was supposed to stimulate job creation in all areas of the province, particularly outside the Lower Mainland and Victoria. However, most jobs created since the recession have been in the Lower Mainland. The only other BC regions that have recovered the number of jobs lost in the recession are the Kootenay and the Northeast.



Four years after the economic recovery began, and two years after the Jobs Plan was launched, BC remains a long way from the pre-recession benchmarks on key measures of labour market performance. BC's recovery has been weaker than the Canadian average so far and the Jobs Plan does not seem to have changed that.

- Low employment rate: Only 71 per cent of working age British Columbians have jobs today, effectively unchanged since the start of the BC Jobs Plan and almost as low as during the recession, as seen in the figure on page two. In order to return to BC's pre-recession employment rate (the proportion of working age British Columbians who have jobs), the province would need 94,000 more jobs.
- **High unemployment rate:** BC's unemployment rate was 6.7 per cent as of the third quarter of 2013, compared to just over 4 per cent before the recession. The

Continued from cover BC Jobs Plan reality check

unemployment rate went down even though BC actually lost jobs in the first ten months of 2013; this is because more people stopped actively looking for work.

- Fewer permanent jobs: BC has fewer permanent jobs today than we did before the recession. Almost two thirds of the jobs created since the Jobs Plan have been seasonal or casual. There has been some growth in full-time jobs, but fewer British Columbians have full-time jobs than residents of other provinces.
- More new jobs going to temporary foreign workers: Of the new jobs created since the recession, 29 per cent have been filled by temporary foreign workers. The increase in temporary foreign workers has been concentrated in areas outside urban centres.
- Little relief for vulnerable groups: The Jobs Plan focused on providing more economic opportunities to Aboriginal people, but there is no evidence of measurable improvement in their unemployment or employment rates. The plan did not specifically address challenges faced by youth or recent immigrants, two other groups likely to be vulnerable in the labour market.

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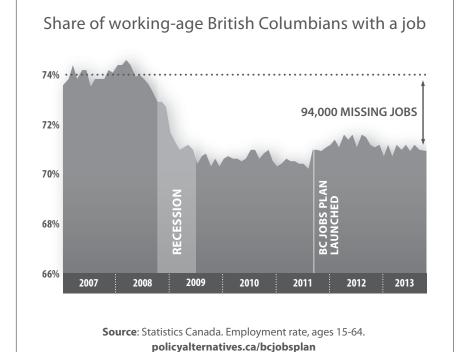
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Recommendations: invest and diversify

BC needs an economic strategy that is better diversified and less environmentally risky, and that puts more British Columbians to work in well-paying, family-supporting jobs. More working British Columbians means more income for families, which means more spending, and a healthier economy.

Instead of waiting for the private sector to invest and boost hiring, the provincial government should increase its own role in job creation. In BC, the public sector has been the main engine of net job creation since the BC Jobs Plan was announced, adding 20,000 new jobs, primarily in education services, and health and social assistance.

The government must also step away from its narrow focus on resource extraction and exports, specifically on making LNG the main economic driver for the province. The industry may seem poised for a boom now, but it is far too risky to pin the province's economic future on one sector, particularly one so vulnerable to the ups and downs of global commodity markets. And, of course, developing the oil and gas sector would come at a great environmental price, threatening northern communities with air and water pollution and endangering our climate.

While much is made of the role the (often better-paid) resource sector plays in BC, the reality is that just 2 per cent of British Columbians are directly employed in mining, oil and gas extraction, and forestry and logging combined. This sector remains such a small share of the job market that even a doubling or tripling of employment would not place it among top employment sectors in BC.

A more diversified and environmentally sound jobs plan will include public investments in:

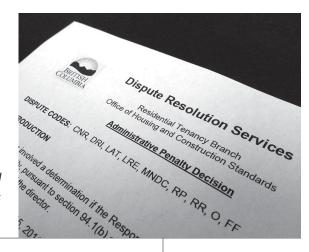
- High quality, accessible and affordable childcare, and education at all levels.
- Making our homes, schools and hospitals more energy-efficient.
- A large-scale reforestation program to aid recovery from the pine-beetle devastation.

2 · BC COMMENTARY · Continued on page 8

Legal safeguards for tenants are meaningless without enforcement

By Kendra Milne

Safe and secure housing is a cornerstone of overall health and well-being. The housing affordability crisis in BC is common knowledge, but less well known is the fact that the lack of enforcement of tenancy laws threatens the safety and security of rental housing across the province.



Roughly one third of British Columbians live in rental housing. They depend on BC's tenancy laws to ensure that their rental housing is safe and reasonably well-maintained, that they are not subject to continual increases in their rent, and that they have a degree of security because their tenancy can only be ended for specific reasons. Landlords also depend on the laws to protect their livelihood and property.

However, these legal safeguards quickly become meaningless without an effective way to enforce the protections contained in the laws. Individuals may find they have no effective recourse when their rights are violated. More broadly, if it becomes common knowledge that there is no consequence for breaching the law, there is no incentive to comply. Respect for the content of the law is undermined.

In British Columbia, the Residential Tenancy Branch is charged with enforcing our provincial tenancy laws. It has the power to decide individual legal disputes between tenants and landlords, and to deter repeated violations of the law through its investigatory and penalty powers.

Unfortunately, as a recent study has found, due to chronic and drastic underfunding, the Branch is unwilling or unable to make effective use of these powers. With a budget per case that is a mere 10 to 20 per cent of comparable tribunals (such as the Employment and Assistance Appeal Tribunal and the Workers' Compensation Appeal Tribunal), the Branch faces serious hurdles in accomplishing its purpose.

In legal disputes between individual landlords and tenants, the Branch repeatedly fails to meet the most basic standards of a fair legal proceeding, like getting to present your side of the story or knowing the case against you. These standards are fundamental hallmarks of fairness.

When the Branch issues a decision in an individual dispute, it often contains errors, fails to reflect the arguments made in the case, or is simply unclear because the reasons given do not actually explain the outcome of the case. In addition, landlords and tenants involved in disputes before the Branch describe the decision-makers as rushed and short-tempered, which leaves the parties feeling like their case has not been taken seriously or carefully determined. In a worst case scenario, parties can leave feeling like they have been abused by a public servant.

There are limited legal options available to a person who is dissatisfied with the Branch's decision. It is common to see, for example, a tenant evicted on two days notice on the basis of a seriously flawed decision. The personal costs to that individual tenant are extraordinary, but there are also costs to the public, because these kinds of decisions often lead to homelessness and significant health consequences.

In addition to deciding individual complaints, the law grants the Branch a range of tools to deter repeated violations of the law. Most importantly, since 2008 the Branch has had the power to investigate and levy monetary penalties against parties for repeated non-compliance with the law. While the Minister Responsible for Housing's stated intent was to hire staff to investigate and proactively "levy significant fines for bad behaviour," to date these powers have only been used by the Branch a single time.

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A progressive take on I Recent posts from CCPA-BC's blog. Join the conversation

A progressive take on BC issues

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Anti-poverty movement, meet the culture of medicine

By Dr. Vanessa Brcic

The evidence for the burden of income inequality on health is plentiful and convincing, with inequity and its health impact both increasing in British Columbia in recent years. Many voices are calling for attention to poverty reduction and a living wage. But what happens when you add doctors into this conversation? Progress and challenges both.

Some physicians are at the heart of a growing movement towards addressing poverty's burden on health as a central social determinant of health (SDOH). Programs like Rebecca Onie's Health Leads USA (and a exciting pilot project ignited by ImpactBC called Basics for Health) are entering the landscape. In Ontario, colleagues have developed a poverty toolkit, and now Nova Scotia is following suit.

Despite welcome and sincere media attention to this issue, headlines this week are noxiously missing the point by announcing that doctors want to know "How much do you make?" Although poverty is central to our patients' abilities to pursue health and treat illness, it's not about how much patients make. Researching how to address poverty in primary care, I have learned that this practice must be imbued with sincerity, clarity, and evidence. Income figures matter little; what matters is opening the door to the black box of SDOH, uncovering a patient's barriers to health, and being respectfully present with the powerlessness that often accompanies poverty. The headline suggests an absurdity to the practice of treating poverty in primary care. That absurdity is worthy of attention if we wish to move beyond it to meaningfully address inequities in clinical medicine.

For the last several years, the Canadian Medical Association has made health inequities a priority issue. This is a substantial shift from

Dr. Brian Day's tenure as president in 2007, when the association more openly sanctioned for-profit services in Canadian health care. However, polarized views and motivations persist, more visible than ever before. Doctors are divided between those moving towards addressing inequities by taking on complex patients, and those trying to avoid them. Doctors have a history of cherry-picking patients that began at the inception of Medicare, and continues today. We label patients as "difficult" or "non-compliant." One reviewer of my research on poverty screening said that the concept made him "uneasy."

The truth is that our health system discriminates, and this makes addressing inequities vital, but certainly difficult. It is a consequence of a system in which the demand for doctors is greater than the supply. When there is always a lineup of patients and potential patients knocking at our door, we have little opportunity to wonder: who isn't knocking loudly enough, or at all? We are attentive to the needs of individual patients, but not to the needs of our practice populations. Among those not in the lineup at our door are the patients with the most barriers who suffer from the greatest burden of disease, and further from lack of appropriate care. We need to look beyond reluctance if we want physicians and health systems to broaden their practice of triage to identify the most vulnerable patients and better serve those in greatest need rather than those who are easiest to treat.

I recently conducted focus groups with patients, doctors, allied health providers, students and community advocates together around the table, asking how we can address poverty in primary care. The complexity of the issue became quickly apparent. Doctors feel powerless when they can't address a problem, so they prioritize biomedical issues and avoid psychosocial ones in a sort of don't-ask-don't-tell policy. Patients were shocked that physicians could feel powerless in face of the profound

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You always learn something when accountants feud

By Keith Reynolds

Every year in BC people who follow government get an early Christmas present in late November. For the better part of a week BC's Auditor General sits down with the legislature's Public Accounts Committee (PAC) to talk about the Auditor General's reports.

Last fall's encounter was quieter than some in the past. Former Auditor General (AG) John Doyle was feisty in his analysis of the BC government's finances. At times his exchanges with the accountants who worked for the government got heated. However, the government got around this problem by not reappointing him as AG and he returned to Australia.

Russ Jones, a long-time staffer in the Auditor General's office, is now the acting AG. His exchanges at the PAC were quieter but lots of interesting points still came out. As with previous years, much of the discussion centered on the government's privatization initiatives—public private partnerships (P3s) and alternative service delivery agreements (ASDs) like the multi-year, multimillion dollar agreement with Maximus BC, a subsidiary of an American company, to manage our health care information.

The Committee spent the better part of a day discussing the AG's February 2013 report on whether or not the Maximus contract was delivering the benefits it promised. In March of 2013, two months before the provincial election, the government extended the Maximus contract for another five years without looking at other bidders. AG Jones told the Committee the contract had not delivered all the benefits promised. He went further saying, "I'd also like to point out that while the report deals specifically with the Maximus contract, we identified a number of challenges, as we do in many of our audits, that are likely common to other arrangements."

Among other things, it turned out that the government lacked baseline information to let it compare Maximus's work with what had gone before. While in some cases monitoring had occurred, a director in the AG's office told the Committee that Maximus had not been held accountable for its achievements consistently.

A spokesperson for the government's Business Management Office acknowledged there was a problem in monitoring the work of the subcontractors who worked for Maximus.

The Auditor General also had problems with the monitoring of promised results from the Sea-to-Sky Highway public private partnership. Most of the results were being self-reported by the company managing the highway. The "availability payment" to the company is based on measurement of travel time and the automated system that was supposed to deliver the information "hasn't to date functioned as intended."

Not that getting information on these projects has been easy at the best of times. AG Jones told the Committee that particularly in the case of the Canada Line P3 there were "some major disagreements with the auditee over information that was being given around ridership and whatnot." Even on the currently under construction Evergreen Transit Line the AG's office found that the government and its agencies were "unable to locate" documents used to justify the process. In the case of the assessment done to justify extending the Maximus contract, a government spokesman told the Committee it had been prepared for Cabinet and as such was a Cabinet secret.

The long term cost for P3s, ASDs and other government contracts is adding up. In a few years it has gone from future payments of \$30 billion to nearly \$100 billion. This is over and above the cost of government debt for borrowed money. The AG told the Public Accounts Committee the numbers for these non-debt obligations were getting very large and that it narrowed the room for future projects unless more revenue could be raised. Because of this, Jones told the Committee he had met with the Minister of Finance and was planning work "on fiscal sustainability and intergenerational equity in the province." Intergenerational equity questions involve the fact that enormous future burdens are being offloaded on future generations.

BC is one of the few provinces that have a "qualified" opinion on its books from its Auditor General. As one AG official explained, "the Auditor's opinion provides the readers some assurance that the financial statements are fairly presented in accordance with the

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Continued from page 3 Legal safeguards for tenants are meaningless

In that much publicized case, involving a landlord who repeatedly ignored orders mandating critical repairs to an apartment building, the Branch issued a \$115,000 penalty against the landlord. However, the Branch then went on to enter into an agreement that essentially waived the entire fine if the landlord did little more than complete the repairs originally ordered and did not incur any new penalties within two years.

The message this sends landlords and tenants across the province is that there is a very small chance the Branch will actually investigate and fine a party who repeatedly violates the law and, even if a fine is levied, it can be

negotiated away. In short, there are few to no consequences for repeatedly and flagrantly breaching the law.

The ongoing failure of the Branch to effectively enforce BC's tenancy laws compromises the protections contained in BC's tenancy legislation. A functioning enforcement mechanism that protects BC's rental housing and the parties that rely on it is in everyone's interest.

Kendra Milne is a social justice lawyer at the Community Legal Assistance Society and a research associate with the CCPA's BC Office. She is also co-author of On Shaky Ground: Fairness at the Residential Tenancy Branch, available at clasbc.net.

Continued from page 4
Anti-poverty movement, meet the culture of medicine

disempowerment of being trapped in poverty, a powerlessness that doctors couldn't begin to understand, they said. This disempowerment is further amplified by having concerns unacknowledged, or, worse, dismissed in favour of the physician's priorities. Poverty simply isn't allowed in the clinical encounter, they told us.

Unfilled prescriptions are a good example. The medical profession rarely looks beyond the label of "patient non-compliance" to the common problem of unaffordability of prescriptions (let alone to advocating for a national Pharmacare program that could help mitigate the problem of rising pharmaceutical costs). And yet the cost of medications is just the tip of the iceberg. For a patient struggling to make ends meet, transportation to an appointment, child care during it, time off work to attend a follow-up visit, caregiver burden, and other health system externalities, are significant costs. Because poor patients suffer a greater burden of disease, these costs are higher for those least able to afford them, perpetuating inaccessibility within health care that is embedded in poverty.

Prescriptions are also quick and easy clinical interventions, and can provide both physician and patient with a tempting illusion of treatment and cure. But patients described leaving the doctor's office often not knowing what prescriptions were for, feeling that their real concerns were not addressed, and deeply "...frustrated. And for a lot of us that have addiction problems, the first thing we do is get

frustrated, and turn back to drugs." Such suffering resulting from a lack of acknowledgment and support isn't surprising given substantial evidence for the significant and negative impact of perceived discrimination on health.

In this context, asking patients how much money they make misses the point entirely. However, the absurdity of these words echoes a persistent reticence to address SDOH, in particular by physicians who want to do their usual business, and those increasingly restricting their practice to healthier, wealthier patients. A lack of understanding of our professional obligation as advocates doesn't mean we should evade this role.

To identify patients in greatest need, we must hear the stories of those struggling to make ends meet so that we can deliver appropriate care to them. Asking patients about poverty and treating it with non-judgment is central to that task. As one patient said: "You don't have to say are you a poor ass, or are you living in a box. You don't say it like that. I mean doctors are a little more well bred than that... well most of them, anyways."

Vanessa Brcic is a research associate with the CCPA–BC, a family physician, UBC researcher and executive board member with Canadian Doctors for Medicare. Her areas of expertise include health inequities, social determinants of health, primary health care reform, and public vs. private health care reform.

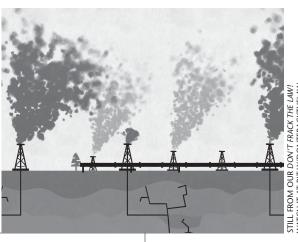
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BC's "big favour": Will LNG exports reduce global greenhouse gas emissions?

By Marc Lee

Is BC "doing the world a favour," as BC Premier Christy Clark put it, by developing a liquified natural gas (LNG) export industry? Or is this just wishful thinking from a government that has abandoned its law on reducing carbon emissions in order to pursue LNG riches?



Natural gas is a cleaner burning fossil fuel than coal, in terms of carbon pollution as well as other emissions that lead to smog and acid rain. In the United States, substitution of gas for coal in electricity generation has led to declining carbon emissions in recent years. So it is plausible that the same could be true for Asia, enabling essentially unlimited LNG exports in the name of climate action.

For BC's LNG exports to truly lower global emissions, they would have to be part of a deliberate effort to use natural gas as a transition fuel, linked to actual displacement of coal use in countries like China, along with a strong regulatory framework to minimize leaks and source renewable power for operations. This is far from the Wild West mentality currently underway on the North Coast.

First, will LNG substitute for coal at all? A number of independent projections show a growing appetite in China for all energy sources, including renewables, nuclear and fossil fuels. A new international treaty to constrain carbon emissions, currently under negotiation, could change this dynamic within 15 to 20 years. For now, LNG is anticipated to pile on top of China's growing coal consumption, rather than displace it.

The transition to natural gas in the US came as a result of record low gas prices in North America. But at the much higher price the BC government and the industry expect Asia to pay, coal is way cheaper than LNG. That is, if LNG is to displace coal based on economics, BC will have to accept much lower prices and give up its fantasy of a \$100 billion Prosperity Fund.

Another challenge to the premier's argument is that LNG may displace other sources of power,

in particular nuclear power in Japan. As evident in the 2011 Fukushima disaster, nuclear has major risks. On the other hand, nuclear's carbon footprint is negligible, so if Japan decides to shift its nuclear capacity to LNG, global carbon emissions would go up.

Leakages also undermine the case for LNG as a transition fuel. Natural gas is primarily methane, a greenhouse gas 86 times more heat trapping than carbon dioxide over a twenty-year period. Leakages of only 1.2 per cent are enough to erase claims of having an advantage over coal.

Typically, from wellhead to final combustion, including processing and transportation, leaks of about 2 to 4 per cent are standard. Those leaks can be much higher for "fracking" operations, the technology that will be used to supply BC's LNG industry.

Strong regulations could reduce the amount of leakage, and allow BC to produce the "cleanest LNG in the world"—an aspiration of the BC government. If LNG goes ahead, such regulations must be part of the deal, even if they impose additional costs on the industry. But BC cannot regulate LNG once it leaves port, so leakages will likely erase natural gas' carbon advantage.

The big picture is that global warming is primarily caused by extracting carbon from underground and putting it into the atmosphere. The government's LNG ambitions would double or triple the amount of gas extracted in BC, the equivalent to adding tens of millions of cars to the roads of the world.

BC's estimated marketable gas reserves, if combusted, would be equivalent to 10.6 billion

The government's LNG ambitions would double or triple the amount of gas extracted in BC, the equivalent to adding tens of millions of cars to the roads of the world.

Continued from page 7 BC's "big favour"

tonnes of carbon dioxide, or about one third of worldwide annual emissions from burning fossil fuels. It is hard to square LNG with the pressing need to constrain carbon on a global basis.

Pursuing an LNG industry amounts to doubling down on fossil fuels, precisely at the moment when extreme weather events are starting to have significant financial impacts. In our era of climate change, global energy supply must ultimately look beyond fossil fuels, and into renewables and conservation.

A government with its eyes on the future would be leading us down that path. If BC really wants to do the world a favour, it must leave most of that natural gas in the ground, and drive new investment into low-carbon technologies and infrastructure. Doing so would create more jobs and leave a sustainable legacy for our grandchildren.

Marc Lee is Senior Economist with the BC Office of the Canadian Centre for Policy Alternatives, and Co-Director of the Climate Justice Project, a multi-year research partnership with the University of British Columbia. He is the author of BC's Legislated Greenhouse Gas Targets vs. Natural Gas Development: The Good, The Bad and the Ugly, available at policyalternatives.ca/natural-gas-ghgs

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Continued from page 5 You always learn something when accountants feud

standards that are promulgated by, in this case, the Public Sector Accounting Board." In BC's case on several issues, the government's reporting does not comply with required accounting standards. For accountants, a "qualified" audit opinion is a really big deal.

One of those issues is the debt for the Port Mann Bridge. The government says it should not show up as government debt because the bridge has a toll and will pay for itself. Not so fast, says the AG, who pointed out that tolls have only been in place for a year and the evidence isn't in yet on whether or not they will cover costs.

You might not think dueling accountants are interesting but when they are arguing about how well the government is spending our money it is worth buying the popcorn and taking a seat.

Keith Reynolds is a CCPA research associate and a National Research Representative for the Canadian Union of Public Employees. He has done policy work for all three levels of government.

Continued from page 2 BC Jobs Plan reality check

Youth-focused employment initiatives and specific measures designed to help Aboriginal people and recent immigrants do better in the job market.

Whether it is by hiring workers to enhance public services and make them more accessible, by purchasing goods and services from BC businesses, or by initiating work on needed infrastructure projects, governments can create jobs and significant spin-off hiring in the private sector.

An effective job creation strategy will cost money, but without investing more of our collective resources in our communities, the BC government cannot provide the leadership needed to remedy a slow economy and persistent joblessness.

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