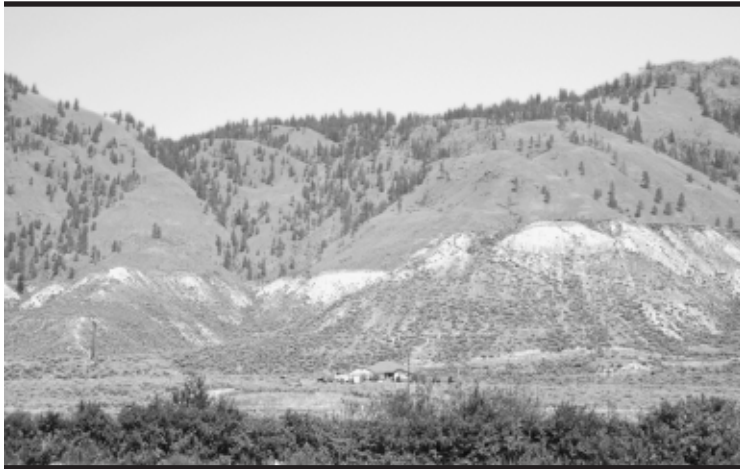


BC'S REGIONAL DIVIDE

How Tax and Spending Policies Affect BC Communities



By Marc Lee,
Stuart Murray
and Ben Parfitt

MAY 2005



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

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Summary

This study examines how provincial tax and spending policies have impacted different areas of BC. We look at the flows of income to and from BC regions and communities. Tax cuts are viewed as new money flowing into communities, while spending cuts and tax increases have the opposite effect.

The study uncovers a consistent theme: government fiscal policy has disproportionately affected BC's "Heartlands." Outside the Lower Mainland and Victoria, income tax cuts were relatively smaller, while tax increases clawed back a greater proportion of the original tax cuts. Moreover, spending cuts packed a bigger punch outside the Lower Mainland and Victoria in terms of lost employment and reduced or eliminated public services.

The study builds on analysis first published in January 2003, when spending cuts were still unfolding, called *Bleeding the Hinterland: A Regional Analysis of BC's Tax and Spending Cuts*.

Key Findings

BC's regional economies are in a very different position in 2005 than they were a few years ago. The resource rollercoaster that has historically characterized BC's economy is in an upswing, with high prices on international markets for BC's resource exports. Yet, while the current upsurge masks differences, BC still has "two economies": the diversified and populous Greater Vancouver and Victoria areas, and the rest of the province, which continues to be highly vulnerable to swings in international market conditions.

- Commodity prices in the first two months of 2005 were 54% higher than they were in 2002, and much higher than any time in the past quarter-century. While the current situation is beneficial to regional economies, the data raise the question: what will happen when the resource rollercoaster moves downward again?

- Even though unemployment rates have improved a great deal outside the Lower Mainland, employment growth has been unbalanced regionally. In 2004, Greater Vancouver accounted for 55% of total BC employment. But over the current upswing, Vancouver accounted for a disproportionate share of employment gains, with 62% of new employment.
- New capital investment (public and private) also appears to be disproportionately in the southwest of BC. According to the BC Major Projects Inventory, updated in December 2004, of capital projects that have started construction 70% are in the Lower Mainland/Southwest region (\$16.4 billion of a total \$23.6 billion in projects). If we add projects in the Greater Victoria region and recently completed projects, 74% of capital projects are in the southwest of BC.

BC's income tax cuts (announced in 2001 and 2005) concentrated dollars in the southwest of the province.

- Greater Vancouver, with 51% of all BC tax filers, received a greater proportionate share (58%) of the total income tax cut.
- If we add the Capital and Fraser Valley Regional Districts to the Greater Vancouver numbers, we find that 66% of tax filers living in the southwest of the province received 71% of the total tax cut. This leaves 29% of the total income tax cut to other parts of BC, even though the remainder of the province makes up 34% of the population.
- Across British Columbia, the average annual tax cut per tax filer was \$559. The largest average tax cut was in the Greater Vancouver Regional District, at \$634 per tax filer. All tax filers outside the GVRD received an average tax cut of \$481. The smallest average tax cut is in the Central Coast Regional District, at \$258.

Faced with deficits from its tax cuts and an economic downturn, the government did not roll back its income tax cuts, in particular the upper-income tax cuts that were not part of their election platform. Rather, in addition to cutting public services, the government raised Medical Service Plan premiums, the provincial sales tax (since reversed), the fuel tax and the tobacco tax.

- The combined effect of these tax increases was to increase revenues by just under \$1 billion in 2003/04. With the reversal of the sales tax increase, tax increases still amount to \$733 million for 2005/06.
- Total tax increases (excluding the sales tax increase) eat up 46% of the value of the income tax cuts. Tax increases in the Lower Mainland and Victoria absorb 44% of the income tax cut, compared to 51% of the income tax cut for the rest of BC.

The current provincial government has also presided over a major shrinkage of the public sector. The impact of public service job losses should not be lightly dismissed. BC Stats estimates that outside the Lower Mainland, the public sector is fairly consistently the first or second most important employer.

- The government cut 6,806 jobs from the direct public sector between 2001 and 2004, a reduction of 17%.
- At the "head office" location of Greater Victoria, a large number of jobs were lost (1,306 job losses), but because so many jobs were located there to begin with, the percentage cut is smaller (9% of government jobs in Victoria).

- Together, Greater Victoria and the Lower Mainland experienced a total of 4,044 job cuts, or a 15% decline. In contrast, total regional jobs fell by 2,762, or 22% of previous employment.
- For a number of communities, the income loss due to direct public sector job cuts eats up a substantial portion of the benefit from income tax cuts. In some communities, such as Nelson (which lost more than half of its public sector workforce), Invermere, McBride, Lillooet, Hazelton, Houston and Smithers, the total income loss from job cuts is greater than the value of the income tax cuts.

Even in health care and education, the areas of the public sector that have fared the best in recent years, there have been negative impacts that have hit smaller communities disproportionately harder.

- Out of 113 schools closed, 24 were in the Lower Mainland and Victoria, while 89 were in the rest of BC.
- Together, the Lower Mainland and Victoria lost 6% of their teaching positions, while the rest of BC lost 11% of its teaching positions. Thus, the job and income losses relative to population were more acute for regional communities.
- The province as a whole experienced a cut of 1,279 acute care beds, a 15% reduction. Outside of the Vancouver Coastal Health Authority and the Vancouver Island Health Authority, acute care bed cuts in the regions were larger relative to previous bed numbers.

Overall, tax cuts, tax increases and spending cuts have worsened the gap between BC's two economies. This may be masked by the current commodity-price-driven revival of BC's regional economies. But the cuts were highly visible to people in communities around the province in terms of lost jobs and lost services, and compromise their ability to weather future economic downturns.

Introduction

In January 2003, the CCPA published *Bleeding the Hinterland: A Regional Analysis of BC's Tax and Spending Cuts*, by Marc Lee. The report found that regions outside the Lower Mainland received smaller tax cuts (due to smaller average incomes) and thus less economic benefit from the 2001/02 tax cuts, yet bore a disproportionate share of spending cuts. These adverse impacts exacerbated regional problems, particularly in regions hard hit by a global economic downturn and the softwood lumber dispute.

The report noted that BC has two economies: the southwest including Greater Vancouver and Victoria, and the rest of the province. It argued that the current provincial government's core economic policies—tax cuts and the Olympics—would further increase the divide.

This report updates those findings. With more recent data on regional taxes we re-estimate the differences in tax cuts by region, and incorporate the effect of the 2005 low-income tax reduction. We also present more detailed data on spending cuts at the regional level, drawing on employee microdata files from the BC Public Service Agency that enable us to focus in on employment impacts by community. At the time of writing *Bleeding the Hinterland*, spending cuts were in progress or in the planning stages. Today, spending cuts are a *fait accompli*. The 2005 BC Budget, for the first time in several years, did not contain cuts outside of health care and education.

Bleeding the Hinterland clearly resonated with the experiences of many BC communities, leading to dozens of stories by local media around the province. A month after its release, the February 2003 Throne Speech coined the term “Heartlands” and set out, rhetorically at least, an agenda for revitalizing regional economies. Suffering widespread ridicule, after the initial communications push the term “Heartlands” was quietly shelved and never referred to again.

Following the Throne Speech, the government produced a graphics-heavy promotional document, *The BC Heartlands Strategy: A Plan to Revitalize Our Entire Province*. Unfortunately, the strategy it contains fails to address the specific issues facing regional communities. For the most part it re-hashes the same policy agenda for the province: cut taxes and red tape, and the private sector will do the rest. The elimination of forestry offices and workers, apprenticeship and training offices, and environmental protection offices is spun as a benefit to local communities. Even the 2010 Olympics are included in the plan, despite the fact that little Olympics spending will go outside the Vancouver-Whistler corridor.

The Heartlands are an afterthought in this process and, sadly, the document is more PR than plan. To the extent that there are specific details, a resource extraction mindset dominates the government's thinking. Provincial industrial policy aims to make it easier and more attractive to extract raw materials for export, but pays short shrift to adding more value, and hence promoting more local jobs. Absent is any mention of how the government has voided the historical social contract with communities that timber be processed in local communities (known as appurtenancy). And, strikingly, there is no discussion whatsoever of any strategy to diversify Interior communities—indeed, the words “diversify” and “diversification” appear exactly zero times.

In the next sections of this paper, we re-examine the impact of government tax and spending cuts on BC's regions. First, to set the stage, we take a retrospective look at the state of regional economies in 2005. We then re-assess the sweeping 2001 tax cuts, and the tax increases and spending cuts that followed in their wake. In terms of spending cuts, we use new data to show, where possible, the impact on local employment and on the quantity and quality of public services. We conclude with some thoughts about the poor timing of spending cuts vis-à-vis the economic situation in BC's regions. Sprinkled throughout the report are a number of “postcards” that give some additional local context to policy changes affecting “the Heartland.”

Regional Economies in Retrospect

BC's regional economies are in a very different position in 2005 than they were a few years ago. The resource rollercoaster that has historically characterized BC's economy is in an upswing, with high prices on international markets for BC's resource exports. The Bank of Canada's Commodity Price Index shows that commodity prices in the first two months of 2005 were 54% higher than they were in 2002, and much higher than any time in the past quarter-century (Figure 1). This has everything to do with external demands, which are beyond the provincial government's control, as are downswings in demand or slumping prices, which often have much to do with commodity producers increasing output to the point where markets become flooded.

High energy prices are a major driver, to the benefit of BC's northeast, with prices up 78% over the same timeframe (and 63% higher than the previous peak in 2000). But even outside of energy, resource prices have climbed significantly. The industrial materials sub-category of the Commodity Price Index, which includes forestry products, metals and minerals, is up 43% in early 2005 from 2002 levels.

At the same time, the Canadian dollar in early 2005 is up about 27% against the US dollar over levels in 2002, an unprecedented appreciation that is hurting central Canada's manufacturing base. However, the increase in resource prices has more than offset any negative impacts of a stronger Canadian dollar.

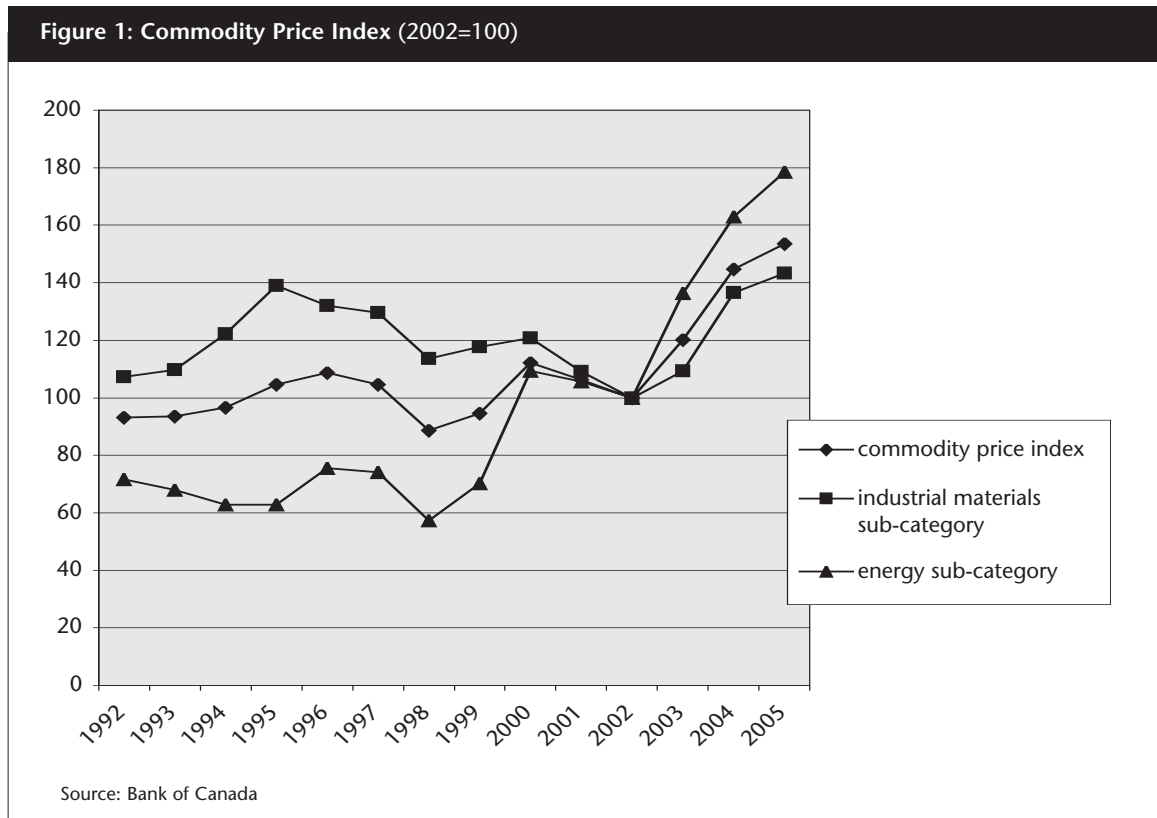
The result is that growth has been stronger in the resource-dependent west and north of Canada while growth rates have dropped in central Canada.¹ This helps to explain why BC's economic performance outpaced the rest of Canada in 2003 and 2004, after trailing early in the decade.

The big increase in resource prices reflects global market conditions, and is providing a huge boost to BC's resource sector—and to BC's overall economy given the relative importance of the resource sector. Combined with escalated logging rates in response to a massive pine beetle outbreak and a push by lumber companies to expand production and exports to the US in spite of countervailing and antidumping duties, this has bolstered regional employment and economic activity. In addition, a low interest rate environment has had a notable impact on real estate markets and residential construction.

Table 1 shows regional unemployment rates for the past decade. A highly favourable external environment led to significant drops in unemployment rates in 2004, with the exception of the North Coast/Nechako region. The 6.6% rate in the Thompson-Okanagan for 2004 is the lowest over this time period, while other regions have returned to the unemployment rates seen in 1999 or 2000.

The table also shows how the external environment can affect regional unemployment in a much more volatile manner than in the more diversified Lower Mainland. The impact of the 1997–99 Asian financial crisis is evident in large rises in unemployment rates in the Kootenays and the Cariboo in particular. Unemployment rates also jumped across the board in 2002 due to the combined effect of a global economic slowdown, the aftermath of September 11, the softwood lumber dispute and provincial budget cuts.

Thus, while the current situation is beneficial to regional economies, the data raise the question: What will happen when the resource rollercoaster moves downward again? Diversifying regional economies is clearly needed to make communities less vulnerable to external events. But, as noted above, diversification is not part of the government's Heartlands strategy. With increasing acceptance of raw log exports and de-linking the harvesting of timber from processing in local communities, the province is moving



down instead of up the value chain.

Although the current upsurge masks differences, BC still has “two economies”: the highly diversified and populous Greater Vancouver and Victoria areas, and the rest of the province, which continues to be vulnerable to swings in international market conditions. The December 2004 report of the BC Progress Board notes major differences between Vancouver and Victoria on the one hand and the rest of BC on the other in terms of incomes, education, housing starts and business incorporations (net of bankruptcies).

Another reality check is in order: even though unemployment rates have improved a great deal outside the Lower Mainland, employment growth has been unbalanced regionally. In 2004, Greater Vancouver accounted for 55% of total BC employment. But over the current upswing from 2001 to 2004, Vancouver accounted for a disproportionate share of employment gains, with 62% of new employment.

New capital investment (public and private) also appears to be disproportionately weighted to the southwest of BC. The BC Major Projects Inventory, updated in December 2004, lists capital projects of \$15 million or greater, broken down into eight regions.² Of projects that have started construction, 70% of capital expenditures are in the Lower Mainland/Southwest region (\$16.4 billion of a total \$23.6 billion in projects). If we add projects in the Greater Victoria region and recently completed projects, 74% of capital projects are in the southwest of BC. The inventory does list a number of proposed projects that would improve the regional balance in terms of capital investment, but at this time we cannot be certain

BC still has “two economies”: the highly diversified and populous Greater Vancouver and Victoria areas, and the rest of the province, which continues to be highly vulnerable to swings in international market conditions.

Table 1: BC Regional Unemployment Rates by Development Region (%)

	Lower Mainland/Southwest	Vancouver Island/Coast	Thompson-Okanagan	Kootenay	Cariboo	North Coast & Nechako	Northeast
1995	7.9	9.3	10.4	8.1	9.7	8.3	6.9
1996	8.3	9.6	10.5	8.9	8.7	7.7	7.2
1997	8.3	8.8	8.4	9.5	10.1	9.2	4.6
1998	8.2	9.8	8.3	12.0	14.6	9.8	N/A
1999	7.8	7.9	9.7	9.3	11.7	9.0	8.9
2000	6.1	7.9	9.3	10.2	9.9	10.2	5.9
2001	6.6	9.2	9.2	9.7	9.7	11.2	6.1
2002	7.8	8.8	9.5	10.1	12.8	12.8	9.0
2003	7.3	8.6	8.8	11.4	11.2	11.5	6.7
2004	6.7	7.9	6.6	9.3	9.2	11.8	5.4

Source: Statistics Canada, Labour Force Survey

which projects will proceed (currently, \$19 million of \$34 billion in proposed projects have a high probability of proceeding, according to the report).

The following sections tell a tale of how communities around BC have been shortchanged by tax cuts, tax increases and spending cuts. Tax cuts can be viewed as new money flowing into communities, while spending cuts and tax increases have the opposite effect. We are interested in the net impact of these various fiscal changes for regional economies.

BC POSTCARD

Railroaded in Lillooet

In many Interior communities, job opportunities are limited, especially high-paying jobs outside of the resource and public service sectors. Lillooet is a case in point.

Lying in the rain shadow, that highly diverse landscape that ranges from arid, near desert-like landscapes to lush forests on the backside of the Coast Mountains, Lillooet has for decades relied on the forestry, mining and agriculture sectors, along with a transportation system that included BC Rail (now CN) and government offices.

In the course of the last few years, however, the community has lost a host of high-paying jobs. Shortly after the 2001 election, the provincial government closed 11 Ministry of Forests district offices, including one in Lillooet. The Ministry still has a small field presence in the community, but is down more than 30 staff positions.

Soon thereafter, Lillooet was hit again, this time via the government's decision to sell BC Rail to CN. The move cost the community another 19 high-paying jobs and severed an important passenger rail link with the Lower Mainland.

John Holliday, a former BC Rail conductor working for CN in North Vancouver, chairs Local 1778 of the United Transportation Union. Holliday says that in urban areas like Greater Vancouver, the loss of BC Rail jobs



brought financial pain to individual families, but the local economy was robust and diverse. The situation was and remains far different in Lillooet, Williams Lake, Prince George and Squamish where BC Rail jobs were lost in droves.

"Those 19 BC Rail workers in Lillooet earned somewhere between \$50,000 and \$90,000 a year," Holliday says. "Jobs like that just aren't found elsewhere in the region."

Adding insult to injury, Holliday says BC Rail was far from unprofitable. The long-time conductor notes that for each 65 cents invested, BC Rail earned \$1, making it one of the better run railways on a "boxcar for boxcar basis" in North America.

Lillooet's loss of BC Rail jobs also came at another cost.

"There's no way short of a car now for an elderly person to go see a medical specialist in Vancouver because there's no bus line out of Lillooet," Holliday says. "The loss of the passenger service was a huge hit for Lillooet. And that happened before the sale. It was all part and parcel of the government grooming BC Rail for sale to CN. Because CN doesn't run passenger services."

Unequal Shares: Income Tax Cuts and Regressive Tax Increases

Our analysis begins with \$1.5 billion in personal income tax cuts, spread over the 2001 and 2002 tax years. Announced on the new government's first day in office, the personal income tax cuts were followed six weeks later with \$790 million in corporate tax cuts. In the aftermath of tax cuts and an economic downturn, however, provincial finances went from black to red. Surpluses of \$155 million in 1999/00 and \$1.4 billion in 2000/01 turned to deficits of \$2.6 billion in 2001/02, \$2.7 billion in 2002/03 and \$1 billion in 2003/04.³

Large deficits, and the spurious argument that the provincial government inherited a multi-billion dollar structural deficit, were used to justify spending cuts and tax increases. These changes undercut the economic stimulus of the original deficit-financed income tax cuts. Together, the combination of tax cuts, tax increases and spending cuts fundamentally changed the way in which we pay for public services and the range of public services available.

In this section, we review the tax changes with a focus on the regional dimension. Due to lack of data, we do not attempt to estimate the distribution of corporate tax cuts, though we note that most head offices are located in major centres like Vancouver, and some of the benefit of corporate tax cuts leaves the province altogether. It is very likely that corporate tax cuts exacerbate the regional divide in BC.

Income Tax Cuts

We first update tax cut estimates made in *Bleeding the Hinterland*. In that paper we found that the Lower Mainland received a disproportionate share of the total tax cut pie. The main reason for this is that incomes are higher on average in the Lower Mainland, and the tax cuts disproportionately benefit upper-income earners. The estimates in *Bleeding the Hinterland* were made using 1999 tax statistics from the Canada Revenue Agency. With more up-to-date statistics now available, we re-estimate the tax cut by region and municipality, and include the low-income tax reduction announced in BC Budget 2005.⁴

Table 2 presents the big picture of average tax cuts for the 10 largest regional districts in BC. Greater Vancouver, with 51.2% of all BC tax filers, received a greater proportionate share (58.1%) of the total tax cut. The Capital Regional District, which includes Greater Victoria, also had a share of the total tax cut larger than its share of tax filers. In the remainder of cases, the share of the tax cut is smaller than the share of tax filers, with the exception of Fraser-Fort George RD, where the shares are equivalent.

If we add the Capital and Fraser Valley Regional Districts (note that the Fraser Valley received less than a proportionate tax cut share) to the Greater Vancouver numbers, we find that 65.6% of tax filers

Table 2: BC Income Tax Cuts—Ten Largest Regional Districts

	All tax returns (#)	Total provincial income tax cut (\$000)	Average tax cut (\$)	Percentage of tax filers	Percentage of total tax cut
Capital RD	244,470	142,874	584	8.6%	9.0%
Central Okanagan RD	109,150	52,230	479	3.8%	3.3%
Comox-Strathcona RD	69,380	32,781	472	2.4%	2.1%
Fraser-Fort George RD	65,960	36,877	559	2.3%	2.3%
Fraser Valley RD	163,620	68,981	422	5.8%	4.3%
Greater Vancouver RD	1,454,560	922,465	634	51.2%	58.1%
Nanaimo RD	93,240	41,840	449	3.3%	2.6%
North Okanagan RD	54,970	24,070	438	1.9%	1.5%
Okanagan-Similkameen RD	60,180	22,025	366	2.1%	1.4%
Thompson-Nicola RD	86,770	39,921	460	3.1%	2.5%
British Columbia	2,838,700	1,587,782	559	100.0%	100.0%
Total Lower Mainland and Victoria	1,862,650	1,134,320	609	65.6%	71.4%
All regions outside Lower Mainland and Victoria	976,050	453,462	465	34.4%	28.6%

Notes and sources: Authors' calculations based on 2000 income tax data. Information is compiled by BC Stats from the universe master file of the Canada Revenue Agency (all taxation returns for individuals). Tax returns are identified with a particular community on the basis of postal code location. The number of returns may be overstated or understated for a particular municipality as postal code boundaries differ from municipal boundaries. Tax cut calculations are based on a 25% tax cut applied to provincial income taxes paid in 2000, plus a \$68.14 tax cut per tax filer with income below \$30,000 (i.e. \$120 million divided by the total number of tax filers under that income) to reflect the low-income tax cut announced in 2005. Total Lower Mainland and Victoria includes Greater Vancouver Regional District, Fraser Valley Regional District and Capital Regional District.

living in the southwest of the province received 71.4% of the total tax cut. This leaves 28.6% of the total income tax cut to other parts of BC, even though the remainder of the province makes up 34.4% of the population.

Table 3 goes into greater detail, showing average tax cuts for all 28 regional districts and most municipalities in BC. Across British Columbia as a whole, the average annual tax cut per tax filer was \$559. There is, however, a notable divergence between the size of tax cuts in places like Greater Vancouver and other parts of the province, reflecting differences in income. By region, the largest average tax cut is in Greater Vancouver Regional District, at \$634 per tax filer, compared to \$481 for all tax filers outside the GVRD. Across-the-board income tax cuts reinforce existing inequality based on income. The tax cuts essentially give more money to those who were already earning more than others. On a regional basis, the tax cuts move relatively more money into higher income regions.

Greater Vancouver, with 51.2% of all BC tax filers, received a greater proportionate share (58.1%) of the total tax cut.

	All tax returns (#)	Average income (\$)	Total income (\$000)	Provincial income tax paid (\$000)	Total BC income tax cut (\$000)	Average tax cut (\$)
British Columbia	2,838,700	30,938	87,823,363	5,870,912	1,587,782	559
Alberni-Clayoquot RD	21,390	27,857	595,871	35,082	9,707	454
Port Alberni	18,280	28,633	523,418	31,382	8,632	472
Ucluelet	1,390	25,338	35,220	1,853	527	379
Tofino	1,190	24,209	28,809	1,530	439	369
Bulkley-Nechako RD	27,620	28,574	789,221	47,517	13,034	472
Vanderhoof	5,420	27,862	151,010	9,361	2,577	476
Fraser Lake	1,550	29,289	45,398	2,846	775	500
Fort St. James	3,140	26,714	83,883	4,908	1,361	434
Burns Lake	4,110	27,982	115,004	6,726	1,860	453
Houston	2,960	32,631	96,589	6,529	1,741	588
Telkwa	1,580	27,963	44,182	2,501	692	438
Smithers	7,210	29,922	215,737	12,678	3,456	479
Capital RD	244,470	33,057	8,081,392	533,328	142,874	584
North Saanich	1,600	43,455	69,528	5,738	1,487	929
Sidney	15,720	36,095	567,407	39,693	10,515	669
Central Saanich	11,090	33,365	370,014	24,321	6,495	586
Gulf Islands	9,950	30,128	299,778	18,791	5,147	517
Victoria	197,310	33,113	6,533,545	431,375	115,512	585
Sooke	8,480	27,544	233,573	12,982	3,598	424

Table 3: BC Income Tax Cuts by Regional District and Municipality *continued*

	All tax returns (#)	Average income (\$)	Total income (\$000)	Provincial income tax paid (\$000)	Total BC income tax cut (\$000)	Average tax cut (\$)
Cariboo RD	44,940	27,047	1,215,475	72,266	20,045	446
100 Mile House	4,450	25,465	113,318	6,242	1,765	397
Williams Lake	13,700	29,704	406,947	25,179	6,855	500
Quesnel	16,440	28,238	464,230	28,691	7,873	479
Central Coast RD	2,160	18,840	40,694	1,777	558	258
Central Kootenay RD	41,390	25,687	1,063,169	57,184	16,189	391
Creston	6,330	23,880	151,159	7,288	2,130	336
Salmo	1,430	22,685	32,439	1,583	465	325
Nelson	11,460	27,410	314,121	17,290	4,823	421
Kaslo	1,510	23,266	35,131	1,750	511	338
New Denver	680	21,907	14,897	741	218	321
Castlegar	8,550	29,233	249,945	15,127	4,135	484
Nakusp	1,940	25,456	49,384	2,628	747	385
Central Okanagan RD	109,150	29,064	3,172,376	189,805	52,230	479
Kelowna	84,730	29,460	2,496,130	151,648	41,617	491
Peachland	3,760	27,524	103,489	5,773	1,610	428
Columbia-Shuswap RD	33,930	26,773	908,405	51,511	14,418	425
Golden	4,560	28,025	127,792	7,276	2,010	441
Revelstoke	5,990	29,166	174,705	10,214	2,804	468
Salmon Arm	12,540	27,330	342,718	20,287	5,645	450
Sicamous	2,490	23,600	58,765	2,927	856	344
Comox-Strathcona RD	69,380	28,835	2,000,561	119,299	32,781	472
Comox	11,170	30,538	341,109	20,671	5,603	502
Courtenay	20,640	27,008	557,447	30,908	8,640	419
Cumberland	1,920	23,679	45,463	2,305	670	349
Gold River	1,100	30,596	33,656	2,165	585	532
Campbell River	24,160	30,802	744,184	46,798	12,694	525
Sayward	670	34,657	23,220	1,824	483	721
Cowichan Valley RD	53,050	28,462	1,509,913	88,820	24,487	462
North Cowichan	5,560	26,755	148,758	8,439	2,361	425
Duncan	21,720	27,767	603,109	35,854	9,926	457
Lake Cowichan	2,700	26,287	70,974	3,825	1,078	399
Ladysmith	9,100	27,792	252,903	14,386	3,992	439
East Kootenay RD	40,950	29,410	1,204,356	71,979	19,711	481
Elkford	1,720	37,463	64,437	4,794	1,256	730
Sparwood	2,890	31,321	90,517	5,816	1,566	542
Fernie	4,520	29,980	135,509	8,641	2,354	521
Cranbrook	17,180	28,962	497,568	28,908	7,956	463
Kimberley	5,780	28,799	166,457	9,552	2,633	456
Invermere	3,020	29,260	88,365	5,078	1,398	463
Radium Hot Springs	720	28,168	20,281	1,091	304	422

Table 3: BC Income Tax Cuts by Regional District and Municipality *continued*

	All tax returns (#)	Average income (\$)	Total income (\$000)	Provincial income tax paid (\$000)	Total BC income tax cut (\$000)	Average tax cut (\$)
Fraser Valley RD	163,620	26,811	4,386,740	246,541	68,981	422
Hope	5,180	24,292	125,835	6,784	1,945	375
Chilliwack	45,410	26,671	1,211,130	66,494	18,652	411
Harrison Hot Springs	1,090	29,326	31,965	2,048	562	515
Kent	3,620	22,701	82,179	4,009	1,177	325
Abbotsford	80,350	27,359	2,198,317	125,185	34,898	434
Mission	22,270	26,766	596,075	34,342	9,563	429
Fraser-Fort George RD	65,960	31,503	2,077,906	137,091	36,877	559
Valemount	1,340	24,590	32,950	1,750	498	372
McBride	1,050	22,595	23,725	1,172	342	326
Prince George	58,720	31,596	1,855,320	122,644	32,984	562
Mackenzie	3,520	38,719	136,292	9,953	2,594	737
Greater Vancouver RD	1,454,560	32,770	47,665,503	3,446,801	922,465	634
Langley, DM	11,990	28,844	345,845	20,811	5,710	476
Langley, City	66,100	33,250	2,197,799	148,385	39,665	600
Surrey	239,000	29,161	6,969,545	449,543	122,773	514
White Rock	17,830	37,399	666,831	47,972	12,659	710
Delta	70,840	35,068	2,484,192	178,816	47,386	669
Richmond	124,530	27,178	3,384,487	216,570	59,769	480
Vancouver	426,410	34,247	14,603,058	1,132,317	301,626	707
Burnaby	142,980	27,876	3,985,728	253,160	69,637	487
New Westminster	40,950	30,027	1,229,626	77,654	21,096	515
Coquitlam	79,000	30,927	2,443,266	164,002	44,202	560
Anmore	800	69,656	55,725	6,629	1,682	2,102
Port Coquitlam	36,310	31,884	1,157,702	76,587	20,531	565
Port Moody	16,300	37,973	618,963	46,347	12,139	745
North Vancouver	93,580	39,005	3,650,061	284,211	74,441	795
West Vancouver	31,520	64,717	2,039,879	226,027	57,562	1,826
Bowen Island	1,890	40,720	76,960	6,194	1,616	855
Lions Bay	1,010	84,150	84,991	5,666	1,446	1,431
Pitt Meadows	10,260	31,236	320,485	20,145	5,429	529
Maple Ridge	42,820	30,854	1,321,184	82,753	22,339	522
Kitimat-Stikine RD	26,500	29,950	793,685	50,725	13,763	519
Kitimat	7,300	38,045	277,728	21,026	5,502	754
Terrace	13,410	29,929	401,344	24,836	6,749	503
Hazelton	1,390	19,023	26,442	1,077	342	246
New Hazelton	900	23,406	21,065	1,098	316	351

Table 3: BC Income Tax Cuts by Regional District and Municipality *continued*

	All tax returns (#)	Average income (\$)	Total income (\$000)	Provincial income tax paid (\$000)	Total BC income tax cut (\$000)	Average tax cut (\$)
Kootenay-Boundary RD	23,900	28,144	672,651	39,787	10,983	460
Fruitvale	2,840	31,939	90,706	6,378	1,708	601
Montrose	970	34,031	33,010	2,051	549	566
Trail	7,570	29,651	224,460	13,273	3,631	480
Rossland	2,810	31,618	88,847	5,527	1,492	531
Grand Forks	5,680	24,617	139,823	7,359	2,109	371
Midway	540	28,285	15,274	942	261	483
Greenwood	700	22,257	15,580	776	229	328
Mount Waddington RD	8,630	31,213	269,370	17,531	4,728	548
Alert Bay	780	19,782	15,430	564	182	233
Port McNeill	2,250	37,823	85,102	6,225	1,631	725
Port Alice	830	42,794	35,519	2,783	719	866
Port Hardy	3,540	27,968	99,006	5,824	1,609	455
Nanaimo RD	93,240	28,028	2,613,318	150,945	41,840	449
Nanaimo	57,860	28,028	1,621,719	93,454	25,883	447
Parksville	12,250	26,576	325,557	17,379	4,902	400
Qualicum Beach	10,230	29,103	297,726	18,064	4,969	486
North Okanagan RD	54,970	27,125	1,491,063	86,197	24,070	438
Lumby	3,650	22,432	81,876	4,286	1,255	344
Coldstream	1,120	32,109	35,962	2,289	614	548
Vernon	38,360	28,457	1,091,611	65,591	18,120	472
Armstrong	6,540	25,177	164,658	8,653	2,466	377
Enderby	4,360	21,754	94,849	4,270	1,290	296
Northern Rockies RD	4,120	34,367	141,593	8,217	2,202	534
Okanagan-Similkameen RD	60,180	24,875	1,496,965	76,479	22,025	366
Osoyoos	5,140	22,704	116,700	5,419	1,618	315
Keremeos	2,310	19,009	43,910	1,646	542	234
Oliver	7,040	22,090	155,515	6,935	2,101	298
Princeton	3,210	25,113	80,614	4,263	1,219	380
Summerland	8,480	26,712	226,520	12,355	3,473	410
Penticton	27,160	25,704	698,121	36,708	10,463	385
Peace River RD	37,260	30,429	1,133,780	69,295	18,843	506
Tumbler Ridge	1,190	33,916	40,360	2,379	638	536
Pouce Coupe	1,030	25,591	26,359	1,328	379	368
Chetwynd	3,320	31,403	104,257	6,585	1,779	536
Dawson Creek	10,070	28,156	283,530	15,746	4,369	434
Hudson's Hope	740	27,430	20,298	1,155	323	436
Taylor	970	32,293	31,324	2,076	556	573
Fort St. John	14,500	33,851	490,845	32,402	8,642	596

Table 3: BC Income Tax Cuts by Regional District and Municipality *continued*

	All tax returns (#)	Average income (\$)	Total income (\$000)	Provincial income tax paid (\$000)	Total BC income tax cut (\$000)	Average tax cut (\$)
Powell River RD	14,140	28,379	401,283	23,558	6,490	459
Skeena-Queen Charlotte RD	14,110	28,232	398,348	23,425	6,458	458
Prince Rupert	9,890	29,776	294,488	18,021	4,909	496
Masset	1,050	22,455	23,578	1,069	318	303
Squamish-Lillooet RD	23,140	30,828	713,368	47,390	12,814	554
Squamish	7,030	30,417	213,828	13,990	3,788	539
Pemberton	1,630	29,823	48,612	2,992	814	499
Whistler	6,720	35,495	238,525	17,732	4,701	700
Lillooet	2,790	24,694	68,895	3,374	974	349
Stikine RD	820	25,548	20,949	884	258	314
Sunshine Coast RD	18,390	29,054	534,309	32,938	9,037	491
Gibsons	6,400	30,336	194,149	12,302	3,344	522
Sechelt	6,570	27,534	180,900	10,823	3,004	457
Thompson-Nicola RD	86,770	28,017	2,431,078	144,542	39,921	460
Merritt	6,670	24,955	166,451	9,155	2,599	390
Lytton	870	17,586	15,300	663	213	245
Ashcroft	1,650	25,508	42,089	2,312	654	397
Cache Creek	1,360	22,266	30,282	1,490	441	324
Clinton	870	22,176	19,293	937	278	319
Logan Lake	1,700	30,006	51,011	3,292	897	527
Kamloops	59,750	29,512	1,763,347	108,105	29,534	494
Chase	3,510	22,880	80,309	4,137	1,209	345

Notes:
 Figures are based on 2000 income tax data. Information is compiled by BC Stats from the universe master file of the Canada Revenue Agency (all taxation returns for individuals). Tax returns are identified with a particular community on the basis of postal code location. The number of returns may be overstated or understated for a particular municipality as postal code boundaries differ from municipal boundaries.
 Tax cut calculations are based on a 25% tax cut applied to provincial income taxes paid in 2000, plus a \$68.14 tax cut per tax filer with income below \$30,000 (i.e. \$120 million divided by the total number of tax filers under that income) to reflect the low-income tax cut announced in 2005.

Within Greater Vancouver alone there are large disparities. At one extreme, the average taxpayer in Anmore had a tax cut of \$2,102, the highest of BC municipalities. The average tax cut in Anmore is thus 3.6 times larger than the average tax cut for the province as a whole. The next largest average tax cuts were also in the Lower Mainland. Affluent communities such as West Vancouver and Lions Bay received among the largest average tax cuts (\$1,826 and \$1,431 respectively). In the City of Vancouver, the average tax cut was \$707 (although there are also disparities within the City of Vancouver not captured by these data). The low end of the Lower Mainland captures many suburban areas: Langley district tax filers received the smallest average tax cut (\$476), followed by Richmond (\$480), Burnaby (\$487) and Surrey (\$514).

In the Capital Regional District, the average tax cut was \$584, but the community of North Saanich ranked among the largest average tax cuts in the province, at \$929, or 59% higher than the average for the regional district.

For the province as a whole, the smallest average tax cuts were in the Central Coast, Stikine and the Okanagan-Similkameen Regional Districts. The Central Coast Regional District had an average tax cut of \$258, and the Stikine region had an average tax cut of \$314. In the Okanagan, Keremeos had a tax cut of only \$234 per tax filer, followed by Oliver (\$298) and Osoyoos (\$315). The tax cut in Keremeos was the second lowest in the province. Only Alert Bay had a lower tax cut at \$233 per tax filer. Hence, the average tax cut in Anmore was nine times larger than in Alert Bay.

Large average tax cuts were not entirely confined to the major urban centres. A handful of smaller towns around the province received large average tax cuts. Kitimat received an average tax cut of \$754, much larger than the average \$519 for the Kitimat-Stikine Regional District as a whole. Mackenzie (\$737) and Elkford (\$730) both had average tax cuts much larger than their region's average and the province as a whole. This reflects an unusual demographic, where certain resource towns have a larger percentage of tax filers working for high-paying, unionized companies.⁵

These data show that BC's income tax cuts concentrated dollars in the southwest, which is already the wealthiest part of the province. The remainder was spread thinly over a very large geographic area, even though this resource-dependent part of BC is more in need of attention. The vast majority of communities outside Greater Vancouver and Greater Victoria received a share of tax cuts less than their share of the population. Thus, from a regional development perspective, tax cuts are a weak policy response to the needs of communities outside the southwest of BC.

Regressive Tax Increases

While the BC income tax cuts were not distributed equally—by income class or by region—a number of subsequent tax increases reinforce this inequality. Faced with deficits, the government did not roll back its income tax cuts, in particular the upper-income tax cuts that were not part of its election platform. In addition to cutting public services, it raised Medical Service Plan premiums, the provincial sales tax, the fuel tax and the tobacco tax. While the income tax is a progressive tax (based on the principle of ability to pay), these other taxes are regressive, meaning they are a bigger hit relative to income for people with modest incomes. BC's tax system overall is now less progressive.

Medical Service Plan premiums, in particular, are very regressive—they are effectively a head tax. MSP premiums were increased by 50% as of May 1, 2002. A single person now pays \$216 more per year in MSP premiums, a couple \$384 more per year, and a family of three or more pays \$432 more each year. There were some changes made at the same time that lowered MSP costs for very low-income families and individuals, and these low income exemptions are due to be expanded as of August 2005. It is also notable that MSP premiums are covered for many people through employer-provided health benefits. Thus, in addition to employers, the real burden of increased MSP premiums tends to fall on the working poor and moderate-income people who do not have health benefits. For these people, higher MSP premiums alone could evaporate most of their income tax cut (see the CCPA's *Shifting Costs* by Stuart Murray for a more detailed picture).

An additional tax increase was a rise in the provincial sales tax to 7.5%, although this has since been restored to 7%. Nonetheless, for a period of two years and eight months (February 2002 to October 2004), a higher provincial sales tax was in effect. While not as regressive as MSP premiums, modest- and middle-income consumers pay a greater share of their income to the tax than those with higher incomes (the government introduced at the same time an enhanced sales tax credit for low-income people, and has kept this increase in place).

Two other tax increases are notable. Smokers in BC were hit with increases in the tobacco tax in each of the 2002, 2003 and 2004 budgets. And fuel taxes were increased in the 2003 budget by 3.5 cents per litre. While there are good public policy reasons to support these types of tax increases, this does not change the fact that they have regressive distributional effects (and thus, other mitigation measures are generally recommended at the same time as these taxes are increased, such as the expansion of mass transit and programs to help smokers quit).

Summed together, income tax cuts and other tax increases redistributed the tax load from upper-income earners to modest- and middle-income earners. The revenue impacts of these changes, as outlined in provincial budgets, are:

- Higher sales taxes (net of the sales tax credit) increased provincial revenues by about \$240 million for each full year it was in effect;⁶
- The increase in the tobacco tax raises provincial revenues by \$150 million per year;
- Fuel tax increases raise revenues by \$211 million per year; and
- Higher MSP premiums (net of low income premium assistance) raise provincial revenues by \$392 million per year.

Thus, the total of these tax increases was just under \$1 billion in 2003/04. Even with the restoration of the sales tax, tax increases amount to \$733 million for 2005/06, just under half the value of the 2001/02 income tax cuts.

For communities around BC, this means that additional money in the community due to the income tax cut is being partially offset by money leaving the community in the form of other higher taxes. We estimate this amount for BC regional districts in Table 4 (next page) by allocating the tax increases by share of tax filers, adjusted for differences in local average income relative to BC as a whole.⁷ A more detailed set of estimates by municipality is provided in Appendix 1.

For many regional districts and communities, tax increases amount to a sizeable share of income tax cuts. For BC as a whole, tax increases (including the sales tax increase) eat up 62.5% of the total income tax cut. For the Lower Mainland and Victoria, tax increases consume a smaller share of the income tax cuts (59.9%) compared to the rest of BC (69.0%). This is because the income tax is progressive and other taxes are regressive.

If we exclude the sales tax to reflect the current situation (reversal of the sales tax to 7%), the amount of the initial income tax cuts absorbed by the other tax increases falls. Province-wide, tax increases (excluding the sales tax increase but maintaining the sales tax credit) eat up 46.2% of the value of the initial income tax cuts. The same pattern holds on a regional basis—tax increases in the Lower Mainland and Victoria amount to 44.2% of the income tax cut, whereas tax increases absorb 51.0% of the income tax cut for the rest of BC.

Moreover, the actual distribution *within a community* will be affected by the relative impacts of income tax cuts and regressive tax increases. That is, low-income people in a given community will get less from income tax cuts and will pay more in tax increases, relative to income, whereas the opposite will be the case for high-income people.

For communities around BC, additional money in the community due to the income tax cut is being partially offset by money leaving the community in the form of other higher taxes.

Table 4: BC income tax cuts and tax increases

	Total income tax cut	Total tax increase (including sales tax increase)		Total tax increase (excluding sales tax increase)	
	thousands of dollars	thousands of dollars	as percent of income tax cut	thousands of dollars	as percent of income tax cut
British Columbia	1,587,782	993,000	62.5%	733,000	46.2%
Greater Vancouver RD	922,465	538,944	58.4%	397,831	43.1%
Fraser Valley RD	68,981	49,600	71.9%	36,613	53.1%
Capital RD	142,874	91,375	64.0%	67,450	47.2%
Lower Mainland and Victoria	1,134,320	679,918	59.9%	501,893	44.2%
Alberni-Clayoquot RD	9,707	6,737	69.4%	4,973	51.2%
Bulkley-Nechako RD	13,034	8,924	68.5%	6,587	50.5%
Cariboo RD	20,045	13,743	68.6%	10,145	50.6%
Central Coast RD	558	460	82.5%	340	60.9%
Central Kootenay RD	16,189	12,021	74.3%	8,874	54.8%
Central Okanagan RD	52,230	35,869	68.7%	26,478	50.7%
Columbia-Shuswap RD	14,418	10,271	71.2%	7,582	52.6%
Comox-Strathcona RD	32,781	22,620	69.0%	16,697	50.9%
Cowichan Valley RD	24,487	17,072	69.7%	12,602	51.5%
East Kootenay RD	19,711	13,617	69.1%	10,052	51.0%
Fraser-Fort George RD	36,877	23,494	63.7%	17,343	47.0%
Kitimat-Stikine RD	13,763	8,974	65.2%	6,624	48.1%
Kootenay-Boundary RD	10,983	7,606	69.2%	5,614	51.1%
Mount Waddington RD	4,728	3,046	64.4%	2,248	47.6%
Nanaimo RD	41,840	29,548	70.6%	21,812	52.1%
North Okanagan RD	24,070	16,859	70.0%	12,445	51.7%
Northern Rockies RD	2,202	1,601	72.7%	1,182	53.7%
Okanagan-Similkameen RD	22,025	16,926	76.8%	12,494	56.7%
Peace River RD	18,843	12,819	68.0%	9,463	50.2%
Powell River RD	6,490	4,537	69.9%	3,349	51.6%
Skeena-Queen Charlotte RD	6,458	4,504	69.7%	3,325	51.5%
Squamish-Lillooet RD	12,814	8,066	62.9%	5,954	46.5%
Stikine RD	258	237	91.9%	175	67.8%
Sunshine Coast RD	9,037	6,041	66.8%	4,460	49.3%
Thompson-Nicola RD	39,921	27,488	68.9%	20,291	50.8%
Rest of BC	453,462	313,082	69.0%	231,107	51.0%

Impact of Spending Cuts on Regional Employment and Services

The current provincial government has presided over a major shrinkage of the public sector. While total provincial expenditures were flat between 2001/02 and 2004/05, prior to an increase for 2005/06, we need to assess public spending relative to BC's economy. As the economy grows, the public sector needs to grow too, to meet rising demand for services and increasing costs of providing them. In the context of a \$162 billion economy, provincial expenditures of \$32.5 billion in 2005/06 will be about 20%, the same as the previous year. But this is well below the 23% expenditures-to-GDP that the provincial government inherited in 2001.

Moreover, buried within the total is a reallocation of expenditures toward health care and, to a lesser extent, education, from key areas such as social assistance, children and families, and environmental protection. The 2005 budget reinforces these trends. Even though a modest amount of funding has been restored as of the 2005/06 budget, funding levels outside of health care and education are still \$1.2 billion below 2001/02 levels. Some of this restored funding has been criticized as a pre-election fund to support projects in regional BC.

A Forestry Tale in Three Strands

STRAND ONE

Canfor Corp. takes over Slocan Forest Products Ltd. in March 2004, becoming the undisputed giant of logging in British Columbia's Interior and one of the biggest softwood lumber producers in North America.

The company continues building a new oriented strandboard mill on the outskirts of Fort St. John. The word "giant" aptly describes the new facility, which will produce 60% more boards than its nearby neighbour in Fort Nelson, a four-hour drive north on the Alaska Highway. The Fort Nelson operation, oddly named PolarBoard (Fort Nelson may be north, but the nearest polar bear is a long way away), is nine football fields in size. Its cavernous interior is so vast that workers sometimes opt to ride over-size tricycles to move around within the facility.

The new mill will consume roughly one million cubic metres of timber per year, much of it from public forestlands and all of it aspen, a tree species found in abundance in these parts but only recently targeted for logging.

STRAND TWO

In 2002, the Government of British Columbia announces the closure of 11 Ministry of Forests district offices. Included in the list of closures is Fort St. John. As annual logging rates were poised to hit their greatest heights, local Ministry of Forests jobs declined by 68 positions.

Approximately 28,570 additional truckloads of logs per annum will be required to feed Canfor's new OSB mill. Backup assistance for Fort St. John's



beleaguered Forest Service (reduced to two staff) must come from either distant Fort Nelson or Dawson Creek. But Forest Service staff in both communities first must deal with significant logging activities in their own backyards.

STRAND THREE

At close to \$15 billion in annual export sales, BC's forest industry is a vital player in the provincial economy. Most of that wealth is derived from publicly-owned forests. But cuts to the Ministry of Forests mean the public could easily be shortchanged.

Logging activities continue to climb, and not just in the northeast. In the Central Interior logging rates have mushroomed by 11 million cubic metres per year in response to the pine beetle. Forest product sales are skyrocketing, even as public oversight goes down. Three consecutive years of cuts to the Forest Service mean 800 fewer men and women safeguarding public interests on public lands.

In fiscal year 2003/04, the province collected close to \$1 billion in stumpage fees from forest companies logging public forestlands. The number of Forest Service personnel employed to ensure that the companies accurately reported the volume and value of what they logged was just 69 people that year. Those people on average were able to check no more than one in every 147 truckloads of logs to ensure company compliance with accurate reporting of log values.

For smaller communities, the social and economic impact of spending cuts is experienced on many levels:

- Loss of direct employment income due to layoffs and office/facility closures;
- The induced, or multiplier, effects of employment losses, as people losing their jobs spend less money for other goods and services in the community;
- Offloading of services, which either disappear altogether or must be replaced at the municipal level or by charities;
- User fees and other out-of-pocket cost increases for tuition, drugs, and other fees;
- Lost individual time and increased financial costs to access services, including courthouses, located further away from the community; and,
- Social and environmental costs to communities as a consequence of cuts to programs.

Putting numbers to these impacts is challenging in some cases. Services have been provided because of need and their loss goes beyond the income and employment losses to the community. For example, the loss of funding for women's centres eliminates an avenue for women to escape abusive relationships, but there is no meaningful way to place a price on escape routes from pain and suffering. The loss of training and apprenticeship programs means an avenue for skills development and employment opportunities is closed—at precisely the time when labour and business are expecting a skills shortage in coming years. The broad scope of the government's cuts has an incalculable cost for communities and families that relied on public services.

Geography magnifies the pain of spending cuts for smaller communities. Cuts in the Lower Mainland can be more easily absorbed. In smaller communities, the closure of government offices is a highly visible affair.

Office Closures and Downsizing of the Direct Public Sector

Geography magnifies the pain of spending cuts for smaller communities. Cuts in the Lower Mainland, for example, can be more easily absorbed. There are more people, a more dynamic economy, and more alternative employment opportunities to cushion the economic impact of layoffs and office closures. Where offices are closed, there may be others that can be accessed slightly further away. Thus, the overall brunt of the cuts is less in the Lower Mainland.

In smaller communities, the closure of government offices is a highly visible affair. The impact of public service job losses should not be lightly dismissed. BC Stats has estimated the economic dependency of BC regions and communities on particular industrial sectors. Outside the Lower Mainland, the public sector is fairly consistently the first or second most important employer.⁸ Clearly, cuts to the public sector have an economic impact on these communities, as those jobs matter more due to less diversification of regional economies. In Appendix 2, we list office closures for the direct public sector (services paid for directly by the government, rather than being allocated to other boards and agencies such as school boards and health boards) that were announced from 2002–2005, broken down over 12 regions for BC.

Table 5 (next page) shows summary data on the regional distribution of direct government job cuts between March 31, 2001 and May 1, 2004.⁹ These data exclude job cuts in the health and education sectors. In Appendix 3 we also provide details for communities with more than 50 employees prior to the spending cuts.

In a period of a little over three years, the government has cut 6,806 jobs¹⁰ from the public sector, a cut of 16.8%. At the “head office” location of Greater Victoria, a large number of jobs were lost (1,306 job losses), but because so many jobs were located there to begin with, the percentage cut is small (9.3% of government jobs in Victoria). The Lower Mainland lost the greatest number of jobs (2,738 job cuts), a reduction of 19.9% of the previous total.

When we combine Greater Victoria and the Lower Mainland, we see that the southwest of the province experienced a total of 4,044 job cuts, or a 14.5% decline. In contrast, total regional jobs fell by 2,762, or 21.9% of previous employment. After the job cuts, the Lower Mainland and Greater Victoria saw their percentage share of government employees increase from 68.8% to 70.7%.

Broken down by region, most regions experienced dramatic job cuts. The Kootenays saw the steepest spending cuts in the province, with more than one-third of the region’s direct government jobs cut. Cuts relative to previous public sector employment were also significant in the North Coast, Nechako,

Development region	Total public service employees		Change in total employees	
	March 31, 2001	May 1, 2004	Number	Per cent
BC Total	40,398	33,592	-6,806	-16.8%
Cariboo	2,442	1,897	-545	-22.3%
Kootenay	1,468	929	-539	-36.7%
Nechako	814	590	-224	-27.5%
North Coast	620	446	-174	-28.1%
Northeast	546	600	54	9.9%
South Coast	486	361	-125	-25.7%
Thompson Okanagan	3,628	3,085	-543	-15.0%
Vancouver Island (excluding Greater Victoria)	2,593	1,927	-666	-25.7%
Total regional jobs	12,597	9,835	-2,762	-21.9%
<i>Per cent of provincial total</i>	<i>31.2%</i>	<i>29.3%</i>	<i>40.6%</i>	<i>n/a</i>
Greater Victoria	14,076	12,770	-1,306	-9.3%
Lower Mainland	13,725	10,987	-2,738	-19.9%
Total Lower Mainland and Victoria	27,801	23,757	-4,044	-14.5%
<i>Per cent of provincial total</i>	<i>68.8%</i>	<i>70.7%</i>	<i>59.4%</i>	<i>n/a</i>
<p>Note: The regional groupings in this table are called “development regions” by the provincial government. We have stripped Greater Victoria and Powell River out of the Vancouver Island/Coast Development Region, and Sunshine Coast and Squamish-Lillooet communities out of the Lower Mainland/Southwest region to create a distinct Lower Mainland region. We have also added a new regional category called South Coast, which includes these Sunshine Coast and Squamish-Lillooet communities.</p> <p>Source: Authors’ calculations using BC Public Service Agency employee microdata files, March 31, 2001 and May 1, 2004.</p>				

South Coast and Cariboo. The Northeast was the only region to emerge with more jobs by 2004, an increase of 54 jobs. The Thompson-Okanagan region fared the best of the remaining regions with only 15.0% of its jobs lost.

At the municipal level, the impacts vary considerably depending on the number of public sector offices and jobs that existed prior to spending cuts. For a number of communities, however, the loss of income from direct public sector jobs eats up a substantial portion of their total income tax cut (Table 6). For a community like Nelson, which lost more than half of its public sector workforce, the lost income is close to two-and-a-half times the amount of the total income tax cut.¹¹ In a number of smaller towns, like

BC POSTCARD

Rollbacks to Environmental Protection

The distances to be covered are vast, the responsibilities many, for the men and women tasked with safeguarding the environment and protecting our collective health and well-being. And it's getting harder all the time, especially for those working in rural BC.

In March 2004, the West Coast Environmental Law Association published a report detailing 320 public sector job losses in the Ministry of Water, Land and Air Protection over the previous three years. Of the jobs lost, more than two in three occurred outside of Greater Vancouver and Victoria in places like Campbell River, Cranbrook, Summerland, Nelson, Prince George and Terrace. In all, 54 communities were affected by the cuts, which served to place BC well behind other provinces in environmental protection.

For example, BC's Conservation Officer Service now has just 115 members. The corresponding figure for Alberta is 220 and for Saskatchewan, a province with a population of less than one million people, the number is 180. Cuts to the CO Service mean that many communities have no conservation officers at all, and that laws aimed at protecting local waters and airways are not adequately enforced because front-line environmental officials are no longer there.

A case in point is the community of Golden, where two officers were cut following provincial government Service Plan reductions in 2002, bringing to zero the number of



people doing such work. No sooner were the two environmental officials gone than local residents reported dramatic and often flagrant increases in over-fishing and night-hunting violations. "We hadn't had complaints like that for years. And now they're back. And I don't think it's a coincidence," former Golden conservation officer Walter Cibulka said in the WCELA report.

The provincial government recently responded to criticisms about the loss of conservation officers and other monitoring and enforcement personnel saying, "environmental protection staff will have more time to spend in the field monitoring results and ensuring compliance."¹⁷ But recent reports suggest otherwise. For example, in the wake of the staff cuts at the Ministry, there has been a documented 93% decline in the issuance of clean-up orders to farmers who pollute local waterways. Anti-pollution staff who used to work for the Ministry also say that the element of surprise is virtually gone as a tool in their enforcement arsenal. At one time, former Scientific Technical Officer Al Spidel says, there were four unannounced inspections of pulp mills per year. "Basically you schedule your visit [now]," Spidel said in the WCELA report. "You make known when you're coming."

Table 6: Income loss for municipalities with more than 50 employees in 2001/02

Municipality	Income loss due to job cuts	Total value of income tax cut	Income loss as per cent of income tax cut
	thousands of dollars		
Cariboo Region			
100 Mile House	1,136	1,765	64.4%
Mackenzie	1,015	2,594	39.1%
McBride	1,570	342	458.9%
Prince George	12,331	32,984	37.4%
Quesnel	1,855	7,873	23.6%
Williams Lake	5,254	6,855	76.6%
Kootenay Region			
Castlegar	1,395	4,135	33.7%
Cranbrook	672	7,956	8.5%
Grand Forks	1,438	2,109	68.2%
Invermere	1,673	1,398	119.7%
Nelson	11,974	4,823	248.3%
Lower Mainland Region			
Abbotsford	629	34,898	1.8%
Burnaby	28,652	69,637	41.1%
Chilliwack	901	18,652	4.8%
Coquitlam	24,725	44,202	55.9%
Delta	593	47,386	1.3%
Langley	2,442	45,375	5.4%
Maple Ridge	4,997	22,339	22.4%
Mission	3,097	9,563	32.4%
New Westminster	4,412	21,096	20.9%
North Vancouver	2,070	74,441	2.8%
Pitt Meadows	1,039	5,429	19.1%
Port Coquitlam	1,850	20,531	9.0%
Port Moody	(531)	12,139	(4.4%)
Richmond	(2,295)	59,769	(3.8%)
Surrey	9,733	122,773	7.9%
Vancouver	34,949	301,626	11.6%
South Coast Region			
Lillooet	1,983	974	203.6%
Powell River	1,422	6,490	21.9%
Sechelt	(42)	3,004	(1.4%)
Squamish	1,423	3,788	37.6%

Table 6: Income loss for municipalities with more than 50 employees in 2001/02

Municipality	Income loss due to job cuts	Total value of income tax cut	Income loss as per cent of income tax cut
	thousands of dollars		
Nechako Region			
Burns Lake	(150)	1,860	(8.0%)
Fort St. James	1,278	1,361	93.9%
Houston	1,958	1,741	112.4%
Smithers	5,248	3,456	151.9%
Vanderhoof	146	2,577	5.7%
North Coast Region			
Hazelton	1,666	342	487.3%
Prince Rupert	510	4,909	10.4%
Terrace	5,267	6,749	78.0%
Northeast Region			
Dawson Creek	49	4,369	1.1%
Fort St. John	(2,820)	8,642	(32.6%)
Thompson Okanagan Region			
Kamloops	7,331	29,534	24.8%
Kelowna	3,052	41,617	7.3%
Merritt	1,293	2,599	49.7%
Penticton	1,525	10,463	14.6%
Revelstoke	1,750	2,804	62.4%
Salmon Arm	714	5,645	12.6%
Vernon	2,588	18,120	14.3%
Vancouver Island Region			
Campbell River	3,510	12,694	27.7%
Courtenay	3,332	8,640	38.6%
Duncan	1,829	9,926	18.4%
Nanaimo	12,942	25,883	50.0%
Parksville	2,616	4,902	53.4%
Port Alberni	2,217	8,632	25.7%
Port McNeill	498	1,631	30.5%
Victoria	61,933	142,874	43.3%
<p>Note: Income loss was calculated as: number of FTE job losses multiplied by the average hourly wage in municipality multiplied by standard hours of 1,827 hours per year.</p> <p>The regional groupings in this table are called "development regions" by the provincial government. We have stripped Greater Victoria and Powell River out of the Vancouver Island/Coast Development Region, and Sunshine Coast and Squamish-Lillooet communities out of the Lower Mainland/Southwest region to create a distinct Lower Mainland region. We have also added a new regional category called South Coast, which includes these Sunshine Coast and Squamish-Lillooet communities.</p> <p>Source: Authors' calculations using BC Public Service Agency employee microdata files, March 31, 2001 and May 1, 2004. Income tax data based on Canada Revenue Agency—see notes for Table 3.</p>			

McBride, Lillooet, Hazelton, Invermere, Houston and Smithers, the total income loss is likewise greater than the total income tax cut received.

While lost jobs hurt communities in terms of income, the reduction or elimination of services provided by those workers is a big part of the story. Consider the case of local forestry offices in the context of the overwhelming importance of the forest industry to the economic well-being of many communities. Of 800 jobs lost over three years of budget cuts to the provincial Ministry of Forests, 647 of them or 81% occurred outside of Greater Victoria. At the same time as these closures were implemented, forest industry activities were on a significant increase (see sidebar, *A Forestry Tale in Three Strands* on page 24),

BC POSTCARD

School's Out Forever?

As Alice Cooper's infectious 1970s rock n' roll anthem *School's Out* so perfectly captured, nothing matches the euphoria of school kids greeting the advent of the long summer break that heralds another school year's end.

But in 2004 nobody—student, parent or teacher alike—cheered when the last late spring bell sounded at Forest Grove Elementary School. That's because Forest Grove was losing what many in this rural community northeast of 100 Mile House regard as its most important, unifying institution. Its school doors were closing, perhaps forever.

For 80-plus years, the men and women who lived and worked in these parts—many of them loggers, miners, ranchers and, more recently, tourism operators—sent their children to the local elementary school. The school, says local resident and grandmother Shirley Van Osh, was what kept families here as opposed to some forlorn male-dominated logging camp.

"Without a school a community doesn't exist," Van Osh says. "It just isn't feasible for families, unless they decide to home-school. If you don't have a school, you don't have the heart of your community."

In the past three years, the heart has been ripped out of many communities, not just Forest Grove. In all, 113 schools closed and 20,000 children were forced to relocate, as school districts across BC closed schools in



response to funding freezes and altered funding formulas introduced by the provincial government.

Even though Forest Grove's school enrolment stayed constant at 80 or more students, its school was closed—for reasons still unexplained—by School District 27 in Williams Lake.

For now, an indomitable hinterland spirit keeps hopes alive that a school will re-open in the community. Two of Van Osh's grandchildren—Jemma, 10, and Tyra, 8—went to the school and are now home-schooled by their mother, a former Forest Grove Elementary teacher. Their mother now teaches kindergarten in a new venture spearheaded by the Forest Grove Rural School Society, which uses the community hall adjacent to the school as a place where local parents can send their younger children. The community remains hopeful that the school district will let it lease the school building back. It's an option Van Osh and others think could work, but not one local residents ever thought they would have to pursue.

"The biggest problem we've had to date was there was no reason given for closing our school. That's the most difficult thing for everyone involved," Van Osh says. "We've tried every avenue to force an answer and we've never been given one."

raising concerns about how company activities were to be monitored on the public's behalf to ensure that social and environmental values were safeguarded.

Similar trends occurred in cutbacks to the Ministry of Water, Land and Air Protection. While the community receiving the single largest number of public service cuts was in the provincial capital, Victoria, this represented only 18% of the cuts. The overwhelming number of jobs eliminated were in Interior communities, with regional centres such as Cranbrook, Kamloops and Smithers hit particularly hard.

Regional Impacts in Education and Health Care

Within health care and education, there are also pressures to cut services and employment, although the context is not as dramatic as for the direct public sector. Health care has fared the best of any area of provincial government jurisdiction, with an increase in funding of \$2 billion in 2005/06 above 2001/02 levels. This largely reflects new agreements with the federal government on health care financing. Education funding also increased by \$1 billion from 2001/02 to 2005/06, although most of this increase was in the last two years. In spite of these increases, however, a funding challenge has been in relation to the rising cost of providing services (i.e. inflation specific to these sectors).

The provincial government announced an increase in K-12 education funding of \$150 million for the 2005/06 school year above budgeted levels in 2004/05. This increase begins to meaningfully restore funding to the K-12 system, where 113 schools have been closed and 2,589 teaching positions eliminated over the past few years. Nonetheless, when adjusted for student enrolment and education-specific inflation (the rising cost of providing education services), real funding per student will still be lower in 2005/06 than in 2000/01 and 2001/02. An additional \$58 million would be required to restore funding to 2001/02 levels.¹²

Table 7 breaks down school closures and FTE teaching position losses on a school district basis (a list of schools closed by district is available in Appendix 4). School closures were abnormally high in the school districts of Prince George (14 schools), Kootenay-Columbia (9 schools), Rocky Mountain (7 schools) and Coast Mountains (6 schools). Closures are more common in school districts serving rural areas—out of 113 schools closed, 24 were in the Lower Mainland and Victoria, while 89 were in the rest of BC. To a certain extent, this is to be expected, as regional school districts have smaller schools. However, the closure of some of these smaller town schools results in children having to travel long distances and may hurt the economic development prospects of these communities (see sidebar, *School's Out Forever?*).

When we consider lost teaching positions by school district, there is a greater proportionate loss of teachers outside the Lower Mainland and Victoria. Regional communities experienced 52.4% of the total teaching positions lost in BC, compared to 47.6% in the Lower Mainland and Victoria. Put another way, the Lower Mainland and Victoria lost 5.7% of its teaching positions, while the rest of BC lost 11.0% of its teaching positions. However, an important caveat is in order: the number of students declined by a greater amount outside the Lower Mainland and Victoria (a decline of 1.3% in the Lower Mainland and Victoria, compared to a decline of 7.0% in the rest of BC).¹³ This means that in terms of increases in students per teacher, the rest of BC did “less worse” than the Lower Mainland and Victoria. Nonetheless, the job and income losses relative to population were more acute for regional communities.

When we consider lost teaching positions by school district, there is a greater proportionate loss of teachers outside the Lower Mainland and Victoria. The Lower Mainland and Victoria lost 5.7% of its teaching positions, while the rest of BC lost 11.0%.

Table 7: Education Cuts—Teacher Losses and School Closures

School district	2001/02 FTE teachers	2004/05 FTE teachers	Change, 2001/02 to 2004/05		Schools closed
			number	percent	
BC Total	32,769	30,180	-2,589	-7.9%	113
Lower Mainland and Victoria					
Abbotsford	1,017	969	-48	-4.7%	1
Burnaby	1,428	1,329	-98	-6.9%	1
Chilliwack	634	611	-23	-3.6%	0
Coquitlam	1,795	1,716	-79	-4.4%	3
Delta	904	889	-14	-1.6%	0
Greater Victoria	1,150	1,011	-139	-12.1%	5
Langley	1,108	979	-129	-11.7%	1
Maple Ridge-Pitt Meadows	849	827	-23	-2.7%	3
New Westminster	326	346	19	5.9%	0
North Vancouver	997	880	-117	-11.7%	3
Richmond	1,323	1,171	-152	-11.5%	4
Saanich	467	436	-31	-6.7%	1
Sooke	448	419	-29	-6.5%	1
Surrey	3,347	3,331	-16	-0.5%	0
Vancouver	3,291	3,059	-232	-7.0%	1
West Vancouver	354	347	-7	-2.0%	0
Total Lower Mainland and Victoria	19,439	18,322	-1,118	-5.7%	24
Rest of BC					
Alberni	272	247	-25	-9.1%	5
Arrow Lakes	51	41	-10	-20.0%	1
Boundary	111	96	-15	-13.6%	0
Bulkley Valley	161	144	-17	-10.5%	1
Campbell River	390	327	-63	-16.3%	4
Cariboo-Chilcotin	384	337	-46	-12.1%	3
Central Coast	31	26	-5	-15.2%	0
Central Okanagan	1,148	1,095	-53	-4.6%	4
Coast Mountains	408	347	-61	-15.0%	6
Comox Valley	521	481	-40	-7.6%	1
Conseil Scolaire Francophone	174	212	38	21.6%	0
Cowichan Valley	550	484	-66	-12.0%	4
Fort Nelson	74	65	-9	-11.8%	0
Fraser-Cascade	140	126	-13	-9.6%	1
Gold Trail	146	112	-35	-23.8%	2
Gulf Islands	99	87	-11	-11.6%	0
Haida Gwaii/Queen Charlotte	60	50	-10	-16.6%	0

Table 7: Education Cuts—Teacher Losses and School Closures *continued*

School district	2001/02 FTE teachers	2004/05 FTE teachers	Change, 2001/02 to 2004/05		Schools closed
			number	percent	
Howe Sound	250	213	-37	-14.8%	0
Kamloops/Thompson	884	758	-126	-14.3%	3
Kootenay Lake	349	304	-45	-12.9%	2
Kootenay-Columbia	290	245	-44	-15.3%	9
Mission	389	361	-28	-7.3%	0
Nanaimo-Ladysmith	896	759	-137	-15.3%	4
Nechako Lakes	280	273	-6	-2.2%	0
Nicola-Similkameen	181	161	-19	-10.8%	2
Nisga'a	42	43	1	2.4%	0
North Okanagan-Shuswap	438	395	-43	-9.9%	2
Okanagan-Similkameen	171	148	-23	-13.4%	0
Okanagan-Skaha	399	362	-37	-9.3%	1
Peace River North	309	304	-5	-1.6%	0
Peace River South	230	228	-2	-1.0%	1
Powell River	161	137	-24	-14.7%	1
Prince George	1,000	831	-169	-16.9%	14
Prince Rupert	199	173	-25	-12.7%	1
Qualicum	277	261	-16	-5.9%	0
Quesnel	247	222	-24	-9.9%	4
Revelstoke	83	75	-7	-9.0%	1
Rocky Mountain	240	188	-53	-21.9%	7
South East Kootenay	364	303	-61	-16.8%	3
Stikine	24	23	-1	-4.2%	0
Sunshine Coast	230	208	-22	-9.5%	0
Vancouver Island North	144	99	-45	-30.9%	2
Vancouver Island West	47	38	-9	-18.8%	0
Vernon	489	469	-20	-4.2%	0
Rest of BC total	13,330	11,858	1,471	11.0%	89

Source: School closure information comes from the BC Teachers' Federation website. Information on cuts to teacher FTEs comes from the Ministry of Education web site, at the Analysis & Reporting web page containing the Report Selector (Public Schools) available at <http://www.bced.gov.bc.ca/reportfinder/publicschools.php>

The regional impact of changes in post-secondary education is more difficult to assess. On a real per-student basis, overall funding has been flat for universities and has declined somewhat for colleges. And student tuition fees have skyrocketed—in the case of universities, they have increased by 76% in inflation-adjusted terms since the tuition freeze was lifted for the 2002/03 academic year; for colleges, fees increased by 72% and for university-colleges they have more than doubled.

BC POSTCARD

Who ya gonna call?

Health care cuts in Williams Lake

Jammed public meetings, angry seniors, skyrocketing caseloads and stories of horrific patient neglect have become standard fare in the pages of the *Williams Lake Tribune*, a twice-weekly newspaper delivering news to community residents.

Like other rural cities, Williams Lake underwent a sea change in the delivery of health care services, with elderly and chronic care patients being the hardest hit, following the government's scrapping of Community Health Councils and their replacement with a limited number of Health Authorities.

That decision meant that Williams Lake became part of the Interior Health Authority, the largest of its kind in Canada. The IHA operates out of Kamloops, a three-hour drive from Williams Lake. Shortly thereafter, the IHA closed three well-established, centrally-located and publicly-funded health care facilities in Williams Lake, while a new for-profit seniors care facility run by Retirement Concepts opened its doors.

In response to what many local residents viewed as a sharp decline in the care of senior citizens, a public meeting was organized at Williams Lake City Hall in November 2004 by the Council of Senior Citizens' Organizations of BC (COSCO). The meeting was among the more emotional covered by *Tribune* reporter Sage Birchwater, who recorded the thoughts of many of the 146 people to pack Council chambers.

"It was like letting the air out of a huge, over-inflated tire," Birchwater recalls. "There



was a litany of complaints from health care workers in the system, children of seniors, and seniors themselves who were worried about what's in store for them. There were stories about elders sitting around in wet diapers all day because Retirement Concepts wasn't paying for disposables and there was a lot of concern about patient-staff ratios."

Further complaints appeared in a COSCO report by Charmaine Spencer, of Simon Fraser University's Gerontology Research Centre. Spencer noted reports of patients being left stranded on toilets for over half an hour; over-worked staff trying to bathe eight to nine residents in five hours, with those missing baths waiting another week before being cleaned; and increased incidents of bed sores because bed-bound patients were not turned enough.

Health care providers told people attending the meeting that where publicly-funded beds had closed, staff-patient ratios were one to six. Following the closures, they escalated to one to twelve. The presentations by over-worked health care staff were so effective, Birchwater says, that conservative-leaning city council members called on the province to legislate minimum staff-to-patient ratios.

As for earlier health care facility closures, public outcries appear to have caught the attention of the IHA, which has promised 35 new beds, but not for another 18 months or so. And who will operate those beds—public or private—remains to be seen.

On the other hand, the provincial government has initiated a push to expand the number of seats in the post-secondary system by 25,000. Half of these are coming on stream in the next two years, the remainder by 2010. On a regional basis, this includes moves to: transform the Okanagan University College–Kelowna into a University of British Columbia–Kelowna Campus, plus an expanded Okanagan College in Kelowna; and, create the new Thompson Rivers University by merging the University College of the Cariboo in Kamloops with BC Open College and Open University.¹⁴ In total, of the 25,000 new seats, more than 15,000 will be in the Lower Mainland and Victoria.¹⁵

The expansion of BC's post-secondary system is commendable. However, a major concern is that post-secondary institutions may be squeezed financially by not having sufficient public funds to expand seats without resorting to tuition fee increases that undermine access to higher education. Rising tuition fees will be even more of an impediment outside the southwest because of lower incomes in those areas. In policy terms, the recent decision to hold tuition fee increases to the rate of inflation is a step in the right direction, but must be accompanied by increases in public funding to ensure that new and existing seats are properly funded.

With respect to health care, there have been major changes to the number of beds in the system. Drawing on a recent CCPA study, Table 8 outlines what we know about reductions in the number of acute care and residential care beds (a more detailed municipal break-out is available in Appendix 5). The number of residential care beds has been reduced in four of the five regions, even after accounting for new assisted living beds. The number of acute care beds has also been reduced in every region (only the Provincial Health Services Authority, which serves the whole province, has held steady).

The province as a whole experienced a cut of 1,279 acute care beds, a 14.9% reduction. The Vancouver Coastal Health Authority, which includes the Lower Mainland, has lost 7.0% of its acute care beds, a grave situation, but less of a proportionate cut than other health authorities. The Vancouver Island Health Authority (which includes Victoria) also has a smaller proportionate cut, with an 8.7% reduction in the number of acute care beds. Outside of these two health authorities, acute care bed cuts in the regions

Table 8: Changes in Residential Care (RC), Assisted Living (AL) and Acute Care (AC) Beds, by Region

Regional health authority	Net change in RC & AL beds, 2001–2004	% change in RC & AL beds	Net change in AC beds, 2001–2004	% change in AC beds
Interior	-651	-13.7%	-387	-24.2%
Fraser	-311	-4.2%	-457	-21.4%
Vancouver Coastal	-368	-5.2%	-158	-7.0%
Vancouver Island	-92	-1.8%	-141	-8.7%
Northern	23	2.3%	-139	-19.9%
Provincial Health Services	n/a	n/a	3	1.1%
British Columbia Total	-1,399	-5.5%	-1,279	-14.9%

Sources: Cohen et al (2005), based on: (1) 2001–02 Residential Care (RC) bed numbers from Canadian Healthcare Facilities Guide, Health Authorities and Facilities; (2) 2004–05 Residential Care (RC) bed numbers obtained from Health Authority Representatives and Documents and Facilities effective December 2004. Figures for Interior and BC totals modified from original report by inclusion of 65 assisted living beds in Penticton.

were larger relative to previous bed numbers.¹⁶

These changes will hurt BC's regions much more than the Lower Mainland, both in terms of the cut relative to population, and because the Lower Mainland, even in the presence of cuts, has numerous facilities, and thus more alternatives in terms of care options.

The province also saw cuts to residential care beds, partially offset by new assisted living beds. However, even including the new assisted living beds, all regions except the Northern Health Authority experienced a net reduction in long-term care beds. Regionally, the cuts were not as imbalanced as was the case for acute care beds. While the Vancouver Coastal Health Authority had a net reduction in long-term care beds of 5.2%, this was the second-largest relative cut. The largest cut in the province was a 13.7% reduction for the Interior Health Authority.

The cumulative impact of these changes in health care for communities is significant. When rural hospitals close, and access to maternity care and other services is lost, it sets in motion a domino effect.

Rural communities will find it more difficult to recruit and retain physicians (who rightly want to practice the full spectrum of care, which requires hospital support). And patients have even more limited alternatives in terms of access to care. Smaller municipalities may also find it more difficult to pursue economic diversification strategies, such as tourism and becoming retirement destinations, in the absence of a full-service hospital.

These changes will hurt BC's regions much more than the Lower Mainland, both in terms of the cut relative to population, and because the Lower Mainland, even in the presence of cuts, has numerous facilities, and thus more alternatives in terms of care options.

Conclusion

Because there are a number of ways to group regions (by school district, health region, regional district and development region) and limitations to the data available, it is not a straightforward matter to state a bottom line for every municipality and region in BC. What this report shows, however, is that the big splash of income tax cuts failed to benefit many communities due to a number of subsequent measures, including tax increases and spending cuts. These fiscal changes also altered the balance in terms of what services are provided publicly and how they are paid for.

The data in this report show a consistent theme: government fiscal policy has disproportionately affected BC's "Heartlands." Outside the Lower Mainland and Victoria, income tax cuts were relatively smaller, while tax increases clawed back a greater proportion of the original tax cuts. Moreover, spending cuts hit hard in terms of both lost employment and reduced or eliminated public services. In some cases, employment losses in the direct public sector alone outweighed the initial tax cuts in terms of dollars flowing into and out of communities.

For most of the 20th century it was widely recognized that fiscal policy should play a role in cushioning the impact of economic downturns. However, this report finds that the nature of fiscal changes in BC were poorly executed and poorly timed relative to the economic downturn that hit the province in 2001/02 (with a disproportionate effect on BC's regional economies). On the surface, it might appear that the tax cuts were perfectly timed in terms of providing a fiscal stimulus. However, the tax cuts delivered much less stimulus than they could have due to the fact that much of the total tax cut went to people

with high incomes, and on a regional basis, a greater relative share went to the Lower Mainland and Victoria rather than BC's regional economies, which were more in need of a fiscal boost.

Tax cuts were also closely followed by tax increases and spending cuts, the combination of which offset any stimulus. By taking money out of taxpayers' pockets, the cuts were a drag on economic growth. And regions that have much greater dependency on the public sector for income and employment experienced a disproportionately large share of spending cuts. Moreover, the spending cuts came at a time when regional economies were on their knees.

All told, tax cuts, tax increases and spending cuts worsened the gap between BC's two economies. These changes are fundamentally at odds with the spirit of the government's Heartlands strategy.

There are other community impacts of tax and spending cuts not covered in this report. For example, communities lose out from the decrease in welfare rates and eligibility. The scope of the government's cuts plays out at the community level in complex and multifaceted ways.

All told, tax cuts, tax increases and spending cuts worsened the gap between BC's two economies. This may be masked by the current commodity-price driven revival of BC's regional economies. But the cuts were highly noticeable to people in communities around the province, in terms of lost jobs and lost services. These changes are fundamentally at odds with the spirit of the government's Heartlands strategy. A re-think of regional fiscal and industrial policy is sorely needed, not promotional documents that gloss over the need for a coherent economic strategy.

Notes

¹ TD Bank Financial Group 2005.

² BC Ministry of Small Business and Economic Development 2004.

³ Figures for 2001/02 to 2003/04 from BC Budget 2005. Previous years from BC Ministry of Finance 2004.

⁴ The regional tax cuts are derived from Canada Revenue Agency tax data, processed by BC Stats into regional and community tax profiles. The regional tax cuts are based on the year 2000. Because the tax cuts in 2001 and 2002 were effectively a 25% across-the-board reduction for the 2002 tax year, we apply a 25% reduction for each region and municipality in order to arrive at our estimates. For the 2005 tax cut for low-income individuals, we apply a \$68.14 tax cut for all tax filers reporting a gross income below \$30,000 per year (i.e. \$120 million divided by the number of tax filers below this income level). A key methodological difference between this report and *Bleeding the Hinterland* is that we use a base of all tax returns filed (tax filers) whereas *Bleeding the Hinterland* used only tax returns with tax payable greater than zero (tax payers). The impact of this change is to produce average tax cuts estimates that are lower on a per person basis than in *Bleeding the Hinterland*.

⁵ Another example in Table 3 is Port Alice, with an average tax cut of \$866, the largest outside the southwest of BC. However, Port Alice demonstrates how resource-dependent towns can have the economic rug pulled from under their feet. The local pulp mill was purchased by a Wisconsin-based company in 2003 for \$1 as part of a bankruptcy sale of assets of the previous owner, Doman Industries. The new owners have since closed the mill and have allegedly raided \$13 million in assets from the mill, including part of the employees' pension fund (Cayo 2005). Thus, a future analysis based on data for the current tax year would find the average tax cut in Port Alice to be much smaller.

⁶ This number averages estimates in the 2002 budget of \$250 million and in the 2005 budget of \$270 million, then nets out the increase in the low-income sales tax credit of \$20 million.

⁷ We take the provincial total multiplied by the local share of tax filers then multiply by an adjustment factor of average income in the region divided by average income for BC. This adjustment process takes into consideration the fact that lower-income communities will accordingly spend less, and the presence of low-income credits for MSP and sales taxes.

⁸ Horne 2004.

⁹ Figures were derived from microdata files provided to the CCPA by the provincial Public Service Agency, which according to its website, "provides human resource management services to public service ministries and organizations in British Columbia." This includes provincial Ministries, the Liquor Distribution Board and BC Mental Health employees.

¹⁰ This number includes part-time and hourly workers. Full-time workers account for 86% of total employees in the Public Service Agency database, and most workers paid by the hour work full-time.

¹¹ Income loss figures were also calculated based on PSA microdata files. Total income lost was calculated as number of FTE job losses per municipality multiplied by the average hourly wage of public sector workers in that municipality multiplied by 1,827 hours per year (standard work year). A second order impact is that those workers who lost their jobs are paying less taxes (if they remain unemployed or have a retirement pension or took another job at a lower income), which undercuts the value of the total income tax cut in the community. This may be offset somewhat by the value of buyout packages, a temporary infusion of income into the community.

¹² Lee 2005.

¹³ The fact that the regions are seeing a greater decline in student enrolment speaks to a central thesis of this paper: namely, that a growing regional divide in economic opportunities is occurring.

¹⁴ Malcolmson and Lee 2004.

¹⁵ Figures from BC Liberal 2005 election platform.

¹⁶ Cohen et al. 2005 also present these data relative to population aged 75 and over. Here, too, the regions, particularly the Interior Health Authority, see a greater impact.

¹⁷ Barisoff 2005.

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Appendix 1: BC Income Tax Cuts and Tax Increases by Regional District and Municipality (in thousands of dollars)

	Total BC tax cut	Sales tax increase	Sales tax credit	MSP increase	Fuel tax increase	Tobacco tax increase	Total tax increase	Total tax increases excluding sales tax increase	Net tax cut including sales tax	Net tax cut excluding sales tax
British Columbia	1,587,782	260,000	(20,000)	392,000	211,000	150,000	993,000	733,000	594,782	854,782
Alberni-Clayoquot RD	9,707	1,764	(136)	2,660	1,432	1,018	6,737	4,973	2,970	4,734
Port Alberni	8,632	1,550	(119)	2,336	1,258	894	5,918	4,369	2,714	4,263
Ucluelet	527	104	(8)	157	85	60	398	294	129	233
Tofino	439	85	(7)	129	69	49	326	240	113	199
Bulkley-Nechako RD	13,034	2,336	(180)	3,523	1,896	1,348	8,924	6,587	4,111	6,447
Vanderhoof	2,577	447	(34)	674	363	258	1,707	1,260	870	1,317
Fraser Lake	775	134	(10)	203	109	78	513	379	262	396
Fort St. James	1,361	248	(19)	374	202	143	948	700	413	661
Burns Lake	1,860	340	(26)	513	276	196	1,300	960	560	900
Houston	1,741	286	(22)	431	232	165	1,092	806	649	935
Telkwa	692	131	(10)	197	106	75	500	369	192	323
Smithers	3,456	639	(49)	963	518	368	2,439	1,801	1,017	1,656
Capital RD	142,874	23,925	(1,840)	36,071	19,416	13,803	91,375	67,450	51,499	75,424
North Saanich	1,487	206	(16)	310	167	119	786	580	701	907
Sidney	10,515	1,680	(129)	2,533	1,363	969	6,416	4,736	4,100	5,780
Central Saanich	6,495	1,095	(84)	1,652	889	632	4,184	3,088	2,311	3,406
Gulf Islands	5,147	887	(68)	1,338	720	512	3,390	2,502	1,757	2,645
Victoria	115,512	19,342	(1,488)	29,163	15,697	11,159	73,873	54,531	41,639	60,981
Sooke	3,598	691	(53)	1,043	561	399	2,641	1,949	957	1,648
Cariboo RD	20,045	3,598	(277)	5,425	2,920	2,076	13,743	10,145	6,301	9,900
100 Mile House	1,765	335	(26)	506	272	194	1,281	946	484	819
Williams Lake	6,855	1,205	(93)	1,816	978	695	4,601	3,397	2,254	3,458
Quesnel	7,873	1,374	(106)	2,072	1,115	793	5,249	3,875	2,624	3,998
Central Coast RD	558	120	(9)	182	98	70	460	340	98	218
Central Kootenay RD	16,189	3,147	(242)	4,745	2,554	1,816	12,021	8,874	4,168	7,315
Creston	2,130	448	(34)	675	363	258	1,709	1,262	421	868
Salmo	465	96	(7)	145	78	55	367	271	98	194
Nelson	4,823	930	(72)	1,402	755	537	3,552	2,622	1,272	2,202
Kaslo	511	104	(8)	157	84	60	397	293	114	218
New Denver	218	44	(3)	66	36	25	168	124	50	94
Castlegar	4,135	740	(57)	1,116	601	427	2,826	2,086	1,309	2,049
Nakusp	747	146	(11)	220	119	84	558	412	189	335

Appendix 1: BC Income Tax Cuts and Tax Increases by Regional District and Municipality (in thousands of dollars) *continued*

	Total BC tax cut	Sales tax increase	Sales tax credit	MSP increase	Fuel tax increase	Tobacco tax increase	Total tax increase	Total tax increases excluding sales tax increase	Net tax cut including sales tax	Net tax cut excluding sales tax
Central Okanagan RD	52,230	9,392	(722)	14,160	7,622	5,418	35,869	26,478	16,361	25,752
Kelowna	41,617	7,390	(568)	11,141	5,997	4,263	28,223	20,833	13,394	20,784
Peachland	1,610	306	(24)	462	249	177	1,170	864	440	746
Columbia-Shuswap RD	14,418	2,689	(207)	4,055	2,182	1,552	10,271	7,582	4,147	6,837
Golden	2,010	378	(29)	570	307	218	1,445	1,067	565	943
Revelstoke	2,804	517	(40)	780	420	298	1,975	1,458	828	1,345
Salmon Arm	5,645	1,015	(78)	1,530	823	585	3,875	2,860	1,770	2,785
Sicamous	856	174	(13)	262	141	100	664	490	191	365
Comox-Strathcona RD	32,781	5,923	(456)	8,930	4,806	3,417	22,620	16,697	10,161	16,083
Comox	5,603	1,010	(78)	1,523	820	583	3,857	2,847	1,746	2,756
Courtenay	8,640	1,650	(127)	2,488	1,339	952	6,303	4,653	2,337	3,987
Cumberland	670	135	(10)	203	109	78	514	379	156	290
Gold River	585	100	(8)	150	81	57	381	281	204	304
Campbell River	12,694	2,203	(169)	3,322	1,788	1,271	8,414	6,211	4,279	6,482
Sayward	483	69	(5)	104	56	40	263	194	221	289
Cowichan Valley RD	24,487	4,470	(344)	6,740	3,628	2,579	17,072	12,602	7,415	11,885
North Cowichan	2,361	440	(34)	664	357	254	1,682	1,242	679	1,119
Duncan	9,926	1,785	(137)	2,692	1,449	1,030	6,819	5,034	3,106	4,892
Lake Cowichan	1,078	210	(16)	317	171	121	802	592	275	485
Ladysmith	3,992	749	(58)	1,129	608	432	2,860	2,111	1,132	1,881
East Kootenay RD	19,711	3,565	(274)	5,376	2,894	2,057	13,617	10,052	6,094	9,659
Elkford	1,256	191	(15)	288	155	110	729	538	527	718
Sparwood	1,566	268	(21)	404	217	155	1,023	755	543	811
Fernie	2,354	401	(31)	605	326	231	1,532	1,131	822	1,223
Cranbrook	7,956	1,473	(113)	2,221	1,195	850	5,626	4,153	2,330	3,803
Kimberley	2,633	493	(38)	743	400	284	1,882	1,389	751	1,244
Invermere	1,398	262	(20)	394	212	151	999	738	398	660
Radium Hot Springs	304	60	(5)	91	49	35	229	169	75	135
Fraser Valley RD	68,981	12,987	(999)	19,580	10,539	7,492	49,600	36,613	19,381	32,368
Hope	1,945	373	(29)	562	302	215	1,423	1,050	522	894
Chilliwack	18,652	3,586	(276)	5,406	2,910	2,069	13,694	10,108	4,958	8,544
Harrison Hot Springs	562	95	(7)	143	77	55	361	267	200	295
Kent	1,177	243	(19)	367	197	140	929	686	248	491
Abbotsford	34,898	6,508	(501)	9,812	5,282	3,755	24,856	18,348	10,042	16,550
Mission	9,563	1,765	(136)	2,661	1,432	1,018	6,740	4,975	2,823	4,588

Appendix 1: BC Income Tax Cuts and Tax Increases by Regional District and Municipality (in thousands of dollars) *continued*

	Total BC tax cut	Sales tax increase	Sales tax credit	MSP increase	Fuel tax increase	Tobacco tax increase	Total tax increase	Total tax increases excluding sales tax increase	Net tax cut including sales tax	Net tax cut excluding sales tax
Fraser-Fort George RD	36,877	6,152	(473)	9,275	4,992	3,549	23,494	17,343	13,383	19,534
Valemount	498	98	(8)	147	79	56	373	275	126	223
McBride	342	70	(5)	106	57	41	268	198	74	144
Prince George	32,984	5,493	(423)	8,281	4,457	3,169	20,978	15,485	12,006	17,499
Mackenzie	2,594	403	(31)	608	327	233	1,541	1,138	1,053	1,456
Greater Vancouver RD	922,465	141,113	(10,855)	212,755	114,519	81,411	538,944	397,831	383,521	524,634
Langley, DM	5,710	1,024	(79)	1,544	831	591	3,910	2,887	1,799	2,823
Langley, City	39,665	6,507	(501)	9,810	5,280	3,754	24,850	18,343	14,815	21,322
Surrey	122,773	20,633	(1,587)	31,109	16,745	11,904	78,803	58,170	43,970	64,603
White Rock	12,659	1,974	(152)	2,976	1,602	1,139	7,540	5,566	5,119	7,093
Delta	47,386	7,354	(566)	11,088	5,968	4,243	28,088	20,734	19,298	26,652
Richmond	59,769	10,020	(771)	15,107	8,131	5,781	38,268	28,248	21,501	31,521
Vancouver	301,626	43,232	(3,326)	65,181	35,085	24,942	165,114	121,881	136,512	179,744
Burnaby	69,637	11,800	(908)	17,790	9,576	6,808	45,066	33,266	24,571	36,371
New Westminster	21,096	3,640	(280)	5,488	2,954	2,100	13,903	10,263	7,193	10,833
Coquitlam	44,202	7,233	(556)	10,906	5,870	4,173	27,625	20,392	16,577	23,810
Anmore	1,682	165	(13)	249	134	95	630	465	1,052	1,217
Port Coquitlam	20,531	3,427	(264)	5,167	2,781	1,977	13,090	9,663	7,441	10,869
Port Moody	12,139	1,832	(141)	2,763	1,487	1,057	6,998	5,166	5,141	6,973
North Vancouver	74,441	10,806	(831)	16,292	8,769	6,234	41,270	30,464	33,171	43,977
West Vancouver	57,562	6,039	(465)	9,105	4,901	3,484	23,064	17,025	34,497	40,536
Bowen Island	1,616	228	(18)	344	185	131	870	642	746	974
Lions Bay	1,446	252	(19)	379	204	145	961	709	485	736
Pitt Meadows	5,429	949	(73)	1,430	770	547	3,624	2,675	1,806	2,755
Maple Ridge	22,339	3,911	(301)	5,897	3,174	2,257	14,938	11,027	7,401	11,312
Kitimat-Stikine RD	13,763	2,350	(181)	3,543	1,907	1,356	8,974	6,624	4,789	7,138
Kitimat	5,502	822	(63)	1,240	667	474	3,140	2,318	2,362	3,184
Terrace	6,749	1,188	(91)	1,791	964	685	4,538	3,350	2,211	3,400
Hazelton	342	78	(6)	118	64	45	299	221	43	121
New Hazelton	316	62	(5)	94	51	36	238	176	78	140

Appendix 1: BC Income Tax Cuts and Tax Increases by Regional District and Municipality (in thousands of dollars) *continued*

	Total BC tax cut	Sales tax increase	Sales tax credit	MSP increase	Fuel tax increase	Tobacco tax increase	Total tax increase	Total tax increases excluding sales tax increase	Net tax cut including sales tax	Net tax cut excluding sales tax
Kootenay-Boundary RD	10,983	1,991	(153)	3,002	1,616	1,149	7,606	5,614	3,378	5,369
Fruitvale	1,708	269	(21)	405	218	155	1,026	757	682	951
Montrose	549	98	(8)	147	79	56	373	276	176	273
Trail	3,631	665	(51)	1,002	539	383	2,538	1,873	1,093	1,758
Rosland	1,492	263	(20)	397	213	152	1,005	742	488	751
Grand Forks	2,109	414	(32)	624	336	239	1,581	1,167	528	942
Midway	261	45	(3)	68	37	26	173	127	88	133
Greenwood	229	46	(4)	70	37	27	176	130	53	99
Mount Waddington RD	4,728	797	(61)	1,202	647	460	3,046	2,248	1,682	2,479
Alert Bay	182	46	(4)	69	37	26	174	129	7	53
Port McNeill	1,631	252	(19)	380	204	145	962	710	668	920
Port Alice	719	105	(8)	159	85	61	402	296	317	422
Port Hardy	1,609	293	(23)	442	238	169	1,119	826	490	783
Nanaimo RD	41,840	7,737	(595)	11,665	6,279	4,463	29,548	21,812	12,291	20,028
Nanaimo	25,883	4,801	(369)	7,239	3,896	2,770	18,336	13,535	7,547	12,348
Parksville	4,902	964	(74)	1,453	782	556	3,681	2,717	1,221	2,185
Qualicum Beach	4,969	881	(68)	1,329	715	509	3,366	2,485	1,603	2,484
North Okanagan RD	24,070	4,414	(340)	6,655	3,582	2,547	16,859	12,445	7,211	11,626
Lumby	1,255	242	(19)	365	197	140	926	683	330	572
Coldstream	614	106	(8)	161	86	61	407	300	207	314
Vernon	18,120	3,232	(249)	4,872	2,623	1,864	12,343	9,111	5,778	9,009
Armstrong	2,466	487	(37)	735	396	281	1,862	1,374	604	1,092
Enderby	1,290	281	(22)	423	228	162	1,072	792	217	498
Northern Rockies RD	2,202	419	(32)	632	340	242	1,601	1,182	601	1,020
Okanagan-Similkameen RD	22,025	4,432	(341)	6,682	3,597	2,557	16,926	12,494	5,099	9,530
Osoyoos	1,618	345	(27)	521	280	199	1,320	974	299	644
Keremeos	542	130	(10)	196	105	75	496	366	45	175
Oliver	2,101	460	(35)	694	374	266	1,758	1,298	343	803
Princeton	1,219	239	(18)	360	194	138	911	673	308	546
Summerland	3,473	671	(52)	1,011	544	387	2,561	1,891	912	1,582
Penticton	10,463	2,067	(159)	3,116	1,677	1,192	7,894	5,827	2,570	4,637

Appendix 1: BC Income Tax Cuts and Tax Increases by Regional District and Municipality (in thousands of dollars) *continued*

	Total BC tax cut	Sales tax increase	Sales tax credit	MSP increase	Fuel tax increase	Tobacco tax increase	Total tax increase	Total tax increases excluding sales tax increase	Net tax cut including sales tax	Net tax cut excluding sales tax
Peace River RD	18,843	3,357	(258)	5,061	2,724	1,936	12,819	9,463	6,023	9,380
Tumbler Ridge	638	119	(9)	180	97	69	456	337	181	301
Pouce Coupe	379	78	(6)	118	63	45	298	220	81	159
Chetwynd	1,779	309	(24)	465	250	178	1,179	870	600	909
Dawson Creek	4,369	839	(65)	1,266	681	484	3,206	2,366	1,163	2,003
Hudson's Hope	323	60	(5)	91	49	35	230	169	93	153
Taylor	556	93	(7)	140	75	54	354	261	202	294
Fort St. John	8,642	1,453	(112)	2,191	1,179	838	5,550	4,097	3,092	4,545
Powell River RD	6,490	1,188	(91)	1,791	964	685	4,537	3,349	1,953	3,141
Skeena-Queen Charlotte RD	6,458	1,179	(91)	1,778	957	680	4,504	3,325	1,954	3,133
Prince Rupert	4,909	872	(67)	1,314	708	503	3,330	2,458	1,579	2,451
Masset	318	70	(5)	105	57	40	267	197	52	122
Squamish-Lillooet RD	12,814	2,112	(162)	3,184	1,714	1,218	8,066	5,954	4,749	6,860
Squamish	3,788	633	(49)	954	514	365	2,418	1,785	1,370	2,003
Pemberton	814	144	(11)	217	117	83	550	406	264	408
Whistler	4,701	706	(54)	1,065	573	407	2,697	1,991	2,005	2,711
Lillooet	974	204	(16)	308	166	118	779	575	195	399
Stikine RD	258	62	(5)	94	50	36	237	175	21	83
Sunshine Coast RD	9,037	1,582	(122)	2,385	1,284	913	6,041	4,460	2,996	4,578
Gibsons	3,344	575	(44)	867	466	332	2,195	1,620	1,149	1,724
Sechelt	3,004	536	(41)	807	435	309	2,045	1,510	959	1,494
Thompson-Nicola RD	39,921	7,197	(554)	10,851	5,841	4,152	27,488	20,291	12,433	19,630
Merritt	2,599	493	(38)	743	400	284	1,882	1,389	717	1,210
Lytton	213	45	(3)	68	37	26	173	128	40	85
Ashcroft	654	125	(10)	188	101	72	476	351	178	303
Cache Creek	441	90	(7)	135	73	52	342	253	98	188
Clinton	278	57	(4)	86	46	33	218	161	60	117
Logan Lake	897	151	(12)	228	123	87	577	426	320	471
Kamloops	29,534	5,220	(402)	7,871	4,237	3,012	19,938	14,717	9,596	14,816
Chase	1,209	238	(18)	358	193	137	908	670	301	539

Notes:

Figures are based on 2000 income tax data. Information is compiled by BC Statistics from the universe master file of Canada Customs and Revenue Agency (all taxation returns for individuals). Tax returns are identified with a particular community on the basis of postal code location. The number of returns may be overstated or understated for a particular municipality as postal code boundaries differ from municipal boundaries.

Tax cut calculations are based on a 25% tax cut applied to provincial income taxes paid in 2000, plus a \$68.14 tax cut per tax filer with income below \$30,000 to reflect the low-income tax cut announced in 2005.

Appendix 2: Direct Government Office Closures
Offices/facilities closed or to be closed, by region and community

Greater Victoria

Esquimalt

Liquor Distribution Board store

Sidney

Agriculture, Food & Fisheries Office
 Probation Office
 Ministry of Human Resources Office
 Ministry of Children & Family Development Office

Sooke

Human Resources Office

Victoria

Industry Training and Apprenticeship Commission (ITAC)
 Coroner's Office
 Medical Services Plan Office
 Closures due to Health Services amalgamation—
 Supplementary Benefits, Pharmacare, Travel Assistance
 Human Resources Office
 Forest Renewal BC
 Forests Division Services Branch
 Land Titles Office
 Transportation Finance Authority
 Crystal Gardens
 BC Human Rights Commission Office
 Liquor Distribution Board store

North Island Area

Campbell River

Forest Renewal BC
 Lakeview Youth Custody Camp

Courtenay

Community, Aboriginal and Women's Services—
 Regional women's office
 Industry Training and Apprenticeship Commission
 Agriculture, Food & Fisheries Office
 BC Housing Management Commission
 Transportation Office

Duncan

Community, Aboriginal and Women's Services—
 Regional women's office

Nanaimo

Industry Training and Apprenticeship Commission
 Energy & Mines Office
 Transportation Office
 Residential Tenancy Branch
 Human Resources Office
 Liquor Distribution Board store

Parksville

Courthouse
 Probation Office
 Human Resources Office

Port Alberni

Human Resources Office
 Liquor Distribution Board store

Lower Mainland Area

Burnaby

Industry Training and Apprenticeship Commission
 Transportation Office
 Courthouse
 Medical Services Plan Office
 Burnaby Correctional Centre for Women
 Human Resources Offices (x 2)
 Liquor Distribution Board store (x 3)

Coquitlam

Industry Training and Apprenticeship Commission
 Human Resources Office

Delta

Courthouse

New Westminster

Human Resources Office

North Vancouver

Liquor Distribution Board store

Appendix 2: Direct Government Office Closures *continued*
Offices/facilities closed or to be closed, by region and community

Richmond	Lytton
Liquor Distribution Board store	Courthouse
Sechelt	Maple Ridge
Forests District Office	Courthouse
Squamish	Human Resources Office
Courthouse	Water, Land and Air Protection Office*
Surrey	Surrey
Liquor Distribution Board store	Industry Training and Apprenticeship Commission
Vancouver	Transportation Office
Industry Training and Apprenticeship Commission	Forest Nursery
Agriculture, Food & Fisheries Office	Human Resources Office
Vancouver Pre-trial Centre	White Rock
IT Career Access Office	Human Resources Office
Residential Tenancy Branch	Other
Human resources Office (x 3)	Correctional Centres at Mt. Thurston, Stave Lake and Alouette River
BC Human Rights Commission Office	Children & Family Development – Boulder Bay Camp, Centre Creek Camp
Liquor Distribution Board store (x 3)	
Fraser Valley Area	Kamloops Area
Abbotsford	Ashcroft
Industry Training and Apprenticeship Commission	Human Resources Office
Coroner's Office	Clearwater
Human Resources Office	Human Resources Office
Agassiz	Probation Office
Human Resources Office	Kamloops
Chilliwack	Industry Training and Apprenticeship Commission
Transportation Office	Energy and Mines Office
Human Resources Office	Forest Renewal BC
Correctional Centre	Transportation Office
Hope	Debtors Assistance Office
Probation Office	Employment Standards Office
Coroner's Office	Lillooet
Langley	Forests District Office
Transportation Office	Human Resources Office
	Fish and Wildlife Office

Appendix 2: Direct Government Office Closures *continued*
Offices/facilities closed or to be closed, by region and community

Revelstoke	Okanagan Area
Court Services Ministry of Human Resources Office	Golden
Salmon Arm	Water, Land and Air Protection Office
Forests District Office Forests Nursery Conservation Office Water, Land and Air Protection Office	Kelowna
Other	Industry Training and Apprenticeship Commission Liquor Distribution Board store
Correctional Centres at Bear Creek, Ralieggh High Valley Youth Camp	Oliver
Cariboo Area	Courthouse
100 Mile House	Penticton
Probation Office	Forests Office Liquor Distribution Board store
Bella Coola	Princeton
Forests District Office	Forests Office Other 6 Human Resources Offices to be amalgamated into 3
Clinton	Cranbrook Area
Forests District Office Water, Land and Air Protection Office	Cranbrook
Hagensborg	Industry Training and Apprenticeship Commission Forest Renewal BC Transportation Office Energy & Mines Office Human Resources Office Community, Aboriginal and Women's Services – Regional women's office
Forests District Office	Fernie
Horsefly	Energy & Mines Office Human Resources Office
Forests District Office	Invermere
Likely	Forests Human Resources Office
Forests District Office	Kimberley
Quesnel	Human Resources Office Courthouse
Transportation Office	Revelstoke
Williams Lake	Human Resources Office Transportation Office
Forest Renewal BC Forests Regional Office Industry Training and Apprenticeship Commission	

Appendix 2: Direct Government Office Closures *continued*
Offices/facilities closed or to be closed, by region and community

Nelson Area	Prince George
Castlegar	Community, Aboriginal and Women's Services – Regional women's office
Human Resources Office	Industry Training and Apprenticeship Commission
Creston	Northern Development Commission
Agriculture, Food & Fisheries	Energy & Mines Office
Forests District Office	Transportation Office
Human Resources Office	Sustainable Resource Management – Land Title Office
Grand Forks	Forest Renewal BC
Forests District Office	Vanderhoof
Courthouse	Agriculture, Food & Fisheries Office
Nelson	Other
Industry Training and Apprenticeship Commission	Correctional Centre – Hutda Lake
Transportation Office	Probation Electronic Monitoring Office
Forests Regional Office	Northwest Area
Peace River Area	Hazelton
Chetwynd	Human Resources Office
Human Resources Office	Forests District Office
Dawson Creek	Houston
Industry Training and Apprenticeship Commission	Forests District Office
Transportation Office	Water, Land and Air Protection Office
Agriculture, Food & Fisheries Office	Kitimat
Human Resources Office	Probation Office
Fort St. John	New Hazelton
Transportation Office	Water, Land and Air Protection Office
Forests Office	Smithers
Prince George Area	Forest Renewal BC
Fort St. James	Energy & Mines Office
Human Resources Office	Forests Regional Office
McBride	Agriculture, Food & Fisheries Office
Forests Office	Stewart Forests District Office
Transportation Office	Terrace
	Industry Training and Apprenticeship Commission
	Community Correctional Centre
	Transportation Office

Note: Offices closed or announced for closing by the BC government in 2001–2005. It is unclear whether all offices listed will indeed be closed and, if so, when.

Source: BC Government and Service Employees' Union

Appendix 3: Direct Public Sector Job Cuts, by Region and Municipality (over 50 employees in 2001)

Municipality	Total employees		Change in total employees	
	March 31, 2001	May 1, 2004	Number	Per cent
100 Mile House	107	82	-25	-23.4%
Mackenzie	83	62	-21	-25.3%
Mcbride	51	14	-37	-72.5%
Prince George	1,457	1,193	-264	-18.1%
Quesnel	199	159	-40	-20.1%
Williams Lake	425	315	-110	-25.9%
Total Cariboo Region	2,442	1,897	-545	-22.3%
Balfour	82	4	-78	-95.1%
Castlegar	116	87	-29	-25.0%
Cranbrook	289	275	-14	-4.8%
Grand Forks	89	55	-34	-38.2%
Invermere	72	36	-36	-50.0%
Nelson	472	223	-249	-52.8%
Total Kootenay Region	1,468	929	-539	-36.7%
Abbotsford	482	469	-13	-2.7%
Burnaby	1,911	1,286	-625	-32.7%
Chilliwack	315	296	-19	-6.0%
Cloverdale	73	48	-25	-34.2%
Coquitlam	1,098	523	-575	-52.4%
Delta	189	176	-13	-6.9%
Langley	249	196	-53	-21.3%
Maple Ridge	735	620	-115	-15.6%
Mission	177	109	-68	-38.4%
New Westminster	739	642	-97	-13.1%
North Vancouver	334	290	-44	-13.2%
Pitt Meadows	93	68	-25	-26.9%
Port Coquitlam	641	598	-43	-6.7%
Port Moody	143	154	11	7.7%
Richmond	307	358	51	16.6%
Surrey	1,806	1,592	-214	-11.8%
Vancouver	4,038	3,299	-739	-18.3%
Total Lower Mainland Region	13,725	10,987	-2,738	-19.9%

Appendix 3 continued

Municipality	Total employees		Change in total employees	
	March 31, 2001	May 1, 2004	Number	Per cent
Lillooet	66	25	-41	-62.1%
Powell River	137	106	-31	-22.6%
Sechelt	58	59	1	1.7%
Squamish	102	71	-31	-30.4%
Total South Coast Region	486	361	-125	-25.7%
Burns Lake	88	91	3	3.4%
Fort St. James	102	75	-27	-26.5%
Houston	72	26	-46	-63.9%
Smithers	366	260	-106	-29.0%
Vanderhoof	117	114	-3	-2.6%
Total Nechako Region	814	590	-224	-27.5%
Hazelton	53	21	-32	-60.4%
Prince Rupert	128	117	-11	-8.6%
Queen Charlotte City	60	51	-9	-15.0%
Terrace	327	218	-109	-33.3%
Total North Coast Region	620	446	-174	-28.1%
Dawson Creek	177	176	-1	-0.6%
Fort Nelson	67	69	2	3.0%
Fort St. John	267	328	61	22.8%
Total Northeast Region	546	600	54	9.9%
Clearwater	98	48	-50	-51.0%
Kamloops	1,499	1,345	-154	-10.3%
Kelowna	582	519	-63	-10.8%
Merritt	157	127	-30	-19.1%
Penticton	257	225	-32	-12.5%
Revelstoke	141	102	-39	-27.7%
Salmon Arm	158	143	-15	-9.5%
Vernon	383	324	-59	-15.4%
Total Thompson Okanagan Region	3,628	3,085	-543	-15.0%
Campbell River	319	243	-76	-23.8%
Courtenay	261	189	-72	-27.6%
Duncan	197	156	-41	-20.8%
Nanaimo	1,052	782	-270	-25.7%
Parksville	121	67	-54	-44.6%
Port Alberni	209	161	-48	-23.0%
Port Mcneill	96	86	-10	-10.4%
Total Vancouver Island (excluding Greater Victoria) Region	2,593	1,927	-666	-25.7%
Victoria	13,989	12,722	-1,267	-9.1%
Total Greater Victoria Region	14,076	12,770	-1,306	-9.3%
Provincial Total	40,398	33,592	-6,806	-16.8%

Note: The regional groupings in this table are called "development regions" by the provincial government. We have stripped Greater Victoria and Powell River out of the Vancouver Island/Coast Development Region, and Sunshine Coast and Squamish-Lillooet communities out of the Lower Mainland/Southwest region to create a distinct Lower Mainland region. We have also added a new regional category called South Coast, which includes these Sunshine Coast and Squamish-Lillooet communities.

Source: Authors' calculations using BC Public Service Agency employee microdata files, March 31, 2001 and May 1, 2004.

Appendix 4: School Closures

School district	Schools closed	Year closed
Abbotsford	Abbotsford Elem.	2002-03
Alberni	Beaver Creek Elem.	2003-04
	Cherry Creek Elem.	2003-04
	Mt Klitsa Elem-Jr Sec.	2003-04
	Redford Community School	2003-04
	Sproat Elem.	2003-04
Arrow Lakes	Glenbank Elem.	2002-03
Boundary		
Bulkley Valley	Chandler Park Middle School	2004-05
Burnaby	Canada Way Education Centre	2002-03
Campbell River	Maple Elem.	2002-03
	Central Elem.	2003-04
	Robron Middle School	2004-05
	Rockland Elem.	2004-05
Cariboo-Chilcotin	Chimney Creek Elem.	2002-03
	Anne Stevenson Sec.	2003-04
	Forest Grove Elem.	2004-05
Central Coast		
Central Okanagan	Bellevue Creek Elem.	2002-03
	George Pringle Sec.	2002-03
	Peachland Primary	2002-03
	Lakeview Heights Elem.	2003-04
Chilliwack		
Coast Mountains	Alexander Elem.	2002-03
	Copper Mountain Elem.	2002-03
	Cormorant Elem.	2002-03
	Mountainview Elem.	2002-03
	Parkside Elem.	2002-03
	Stewart Elem.	2002-03
Comox Valley	Black Creek Elem.	2003-04
Conseil scolaire francophone		
Coquitlam	Burquitlam Elem.	2003-04
	Cedarbrook Elem.	2003-04
	Montgomery Elem.	2003-04
Cowichan Valley	Honeymoon Bay Elem.	2002-03
	Mount Brenton Elem.	2002-03
	Sahtlam Annex	2002-03
	Stanley Gordon Elem.	2003-04
Delta		
Fort Nelson		
Fraser Cascade	North Bend Elem.	2003-04
Gold Trail	Riverview Elem.	2002-03
	Ts Kw'aylaxw Elem.	2003-04

Appendix 4: School Closures *continued*

School district	Schools closed	Year closed
Greater Victoria	Blanshard Elem.	2003–04
	Fairburn Elem.	2003–04
	Uplands Elem.	2003–04
	Hampton Community School	2004–05
	Richmond Elem.	2004–05
Gulf Islands		
Haida Gwaii/Queen Charlotte		
Howe Sound		
Kamloops Thompson	Dutch Lake Elem.	2003–04
	Happyvale Elem.	2003–04
	Pineridge Elem.	2003–04
Kootenay Columbia	Blueberry Creek Comm. Sch.	2002–03
	Cook Avenue Elem.	2002–03
	Sunningdale Elem.	2002–03
	Valley Vista Elem.	2002–03
	Beaver Valley Middle School	2003–04
	Kinnaird Middle School	2003–04
	Montrose Elem.	2003–04
	Tarrys Elem.	2003–04
	Trail Middle School	2003–04
Kootenay Lake	Central Elem.	2003–04
	South Creston Elem.	2003–04
Langley	Otter Elem.	2004–05
Maple Ridge-Pitt Meadows	Thornhill Primary	2002–03
	Maple Ridge Primary	2004–05
	Meadowland Elem.	2004–05
Mission		
North Okanagan-Shuswap	Salmon Arm West Elem.	2002–03
	South Canoe Elem.	2002–03
Nanaimo-Ladysmith	Harewood Elem.	2004–05
	Princess Anne Elem.	2004–05
	Princess Royal Elem.	2004–05
	Waterloo Elem.	2004–05
Nechako Lakes		
New Westminster		
Nicola-Similkameen	Tulameen Elem.	2003–04
	Riverside Intermediate	2004–05
Nisga'a		
North Vancouver	Maplewood Community School	2004–05
	Monteray Elem.	2004–05
	Westover Community School	2004–05
Okanagan Similkameen		
Okanagan Skaha	Nkwala Elem.	2004–05
Peace River North		
Peace River South	Kelly Lake Elem-Jr Sec.	2003–04
Powell River	J P Dallos Middle School	2002–03

Appendix 4: School Closures *continued*

School district	Schools closed	Year closed
Prince George	Blackburn Junior Sec.	2002-03
	Gladstone Elem.	2002-03
	Haldi Road Elem.	2002-03
	Hart Highway Elem.	2002-03
	Mountain View Elem.	2002-03
	Nechako North Elem.	2002-03
	Seymour Elem.	2002-03
	Highland Traditional Elem.	2003-04
	King George V Elem.	2003-04
	Lakewood Elem.	2003-04
	Mcleod Lake Elem.	2003-04
	Meadow Elem.	2003-04
	South Fort George Elem.	2003-04
	Wildwood Elem.	2003-04
Prince Rupert	Kaien Island Alternate School	2003-04
Qualicum		
Quesnel	Rich Bar Elem.	2002-03
	Wells Barkerville Elem.	2002-03
	Maple Drive Junior Sec.	2003-04
	West Fraser Elem.	2004-05
Revelstoke	Big Eddy Elem.	2002-03
Richmond	Alexander Kilgour Elem.	2003-04
	B W Garratt Elem.	2003-04
	Richmond Dist. Incentive Progr.	2003-04
	Rideau Park Elem.	2003-04
Rocky Mountain	Canal Flats Junior Sec.	2002-03
	Chapman Camp Elem.	2002-03
	Columbia Valley Elem.	2002-03
	Edelweiss Elem.	2002-03
	Meadowbrook Elem.	2002-03
	Radium Elem.	2002-03
	Wasa Elem.	2002-03
Saanich	Durrance Elem.	2004-05
Sooke	Metchosin Elem.	2003-04
Southeast Kootenay	C L Salvador Elem.	2002-03
	Elkford Elem.	2002-03
	Muriel Baxter Elem.	2002-03
Stikine		
Sunshine Coast		
Surrey		
Vancouver	Shannon Park Annex	2003-04
Vancouver Island North	Coal Harbour Elem.	2002-03
	Sointula Continuing Ed. Site	2002-03
Vancouver Island West		
Vernon		
West Vancouver		
BC total	113 schools closed	
Source: BC Teachers' Federation		

Appendix 5: Changes in Residential Care (RC), Assisted Living (AL) and Acute Care (AC) Beds 2001–2004, by Municipality

Location	Residential care beds		Assisted living beds	Residential care and assisted living beds combined			Acute care beds			
	2001/02	Dec 2004	Dec 2004	Dec 2004	Net change 2001–04	% change	2001/02	2003/04	Net change 2001–04	% change
BC total	25,420	22,891	1,130	24,021	-1,399	-5.5%	8,590	7,311	-1,279	-14.9%
Interior HA	4,769	3,834	284	4,118	-651	-13.7%	1,596	1,209	-387	-24.2%
East Kootenay HSDA	554	377	33	410	-144	-26.0%	233	129	-104	-44.6%
Elkford	0	0	0	0	-	-	0	0	-	-
Fernie	58	50	0	50	-8	-13.8%	68	20	-48	-70.6%
Sparwood	0	0	0	0	-	-	12	12	0	0.0%
Cranbrook	167	120	25	145	-22	-13.2%	78	65	-13	-16.7%
Kimberley	78	51	0	51	-27	-34.6%	24	0	-24	-100.0%
Invermere	40	20	8	28	-12	-30.0%	15	8	-7	-46.7%
Radium Hot Springs	0	0	0	0	-	-	0	0	-	-
Creston	173	110	0	110	-63	-36.4%	21	16	-5	-23.8%
Golden	38	26	0	26	-12	-31.6%	15	8	-7	-46.7%
Kootenay Boundary HSDA	751	503	41	544	-207	-27.6%	207	146	-61	-29.5%
Kaslo	20	20	0	20	0	0.0%	5	0	-5	-100.0%
Nelson	188	117	0	117	-71	-37.8%	45	30	-15	-33.3%
Salmo	0	0	0	0	-	-	0	0	-	-
Slocan	0	0	0	0	-	-	5	5	0	0.0%
Castlegar	105	105	15	120	15	14.3%	30	30	0	0.0%
Nakusp	31	8	0	8	-23	-74.2%	13	6	-7	-53.8%
New Denver	35	30	0	30	-5	-14.3%	0	0	-	-
Silverton	0	0	0	0	-	-	0	0	-	-
Fruitvale	0	0	0	0	-	-	0	0	-	-
Montrose	0	0	0	0	-	-	0	0	-	-
Rossland	41	0	0	0	-41	-100.0%	0	0	-	-
Trail	235	156	26	182	-53	-22.6%	85	63	-22	-25.9%
Warfield	0	0	0	0	-	-	0	0	-	-
Grand Forks	96	67	0	67	-29	-30.2%	24	12	-12	-50.0%
Greenwood	0	0	0	0	-	-	0	0	-	-
Midway	0	0	0	0	-	-	0	0	-	-

Location	Residential care beds		Assisted living beds	Residential care and assisted living beds combined			Acute care			
	2001/02	Dec 2004	Dec 2004	Dec 2004	Net change 2001-04	% change	2001/02	2003/04	Net change	% change
Okanagan HSDA	2,458	2,134	178	2,312	-146	-5.9%	657	596	-61	-9.3%
Oliver	126	126	33	159	33	26.2%	28	18	-10	-35.7%
Osoyoos	83	52	0	52	-31	-37.3%	0	0	-	-
Penticton	389	369	65	434	45	11.6%	122	119	-3	-2.5%
Keremeos	25	25	0	25	0	0.0%	0	0	-	-
Princeton	36	37	0	37	1	2.8%	10	6	-4	-40.0%
Armstrong	70	40	0	40	-30	-42.9%	13	0	-13	-100.0%
Spallumcheen	0	0	0	0	-	-	0	0	-	-
Coldstream	0	0	0	0	-	-	0	0	-	-
Lumby	0	0	0	0	-	-	0	0	-	-
Vernon	422	331	23	354	-68	-16.1%	140	123	-17	-12.1%
Kelowna	1,064	962	57	1,019	-45	-4.2%	323	330	7	2.2%
Lake Country	32	32	0	32	0	0.0%	0	0	-	-
Peachland	0	0	0	0	-	-	0	0	-	-
Summerland	164	129	0	129	-35	-21.3%	21	0	-21	-100.0%
Enderby	47	31	0	31	-16	-34.0%	0	0	-	-
Thompson Cariboo Shuswap HSDA	1,006	820	32	852	-154	-15.3%	499	338	-161	-32.3%
Revelstoke	48	28	0	28	-20	-41.7%	23	10	-13	-56.5%
Salmon Arm	207	176	0	176	-31	-15.0%	54	40	-14	-25.9%
Sicamous	0	0	0	0	-	-	0	0	-	-
Chase	0	0	20	20	20	n/a	0	0	-	-
Kamloops	491	371	0	371	-120	-24.4%	266	218	-48	-18.0%
Logan Lake	0	0	0	0	-	-	0	0	-	-
100 Mile House	90	90	12	102	12	13.3%	27	16	-11	-40.7%
Clearwater	0	21	0	21	21	n/a	10	6	-4	-40.0%
Williams Lake	97	66	0	66	-31	-32.0%	46	24	-22	-47.8%
Lillooet	22	22	0	22	0	0.0%	22	6	-16	-72.7%
Ashcroft	16	21	0	21	5	31.3%	16	0	-16	-100.0%
Cache Creek	0	0	0	0	-	-	0	0	-	-
Clinton	0	0	0	0	-	-	0	0	-	-
Lytton	10	0	0	0	-10	-100.0%	10	10	0	0.0%
Merritt	25	25	0	25	0	0.0%	25	8	-17	-68.0%

Location	Residential care beds		Assisted living beds	Residential care and assisted living beds combined			Acute care			
	2001/02	Dec 2004	Dec 2004	Dec 2004	Net change	% change	2001/02	2003/04	Net change 2001-04	% change
Fraser HA	7,471	6,969	191	7,160	-311	-4.2%	2,138	1,681	-457	-21.4%
Fraser East HSDA	1,392	1,362	25	1,387	-5	-0.4%	325	326	1	0.3%
Hope	46	46	10	56	10	21.7%	6	10	4	66.7%
Chilliwack	439	372	0	372	-67	-15.3%	115	104	-11	-9.6%
Abbotsford	753	770	5	775	22	2.9%	162	192	30	18.5%
Mission	154	174	0	174	20	13.0%	42	20	-22	-52.4%
Harrison Hot Springs	0	0	0	0	-	-	0	0	-	-
Kent	0	0	10	10	10	n/a	0	0	-	-
Fraser North HSDA	3,351	2,878	146	3,024	-327	-9.8%	948	638	-310	-32.7%
New Westminster	511	487	0	487	-24	-4.7%	487	327	-160	-32.9%
Burnaby	1,676	1,408	100	1,508	-168	-10.0%	243	185	-58	-23.9%
Maple Ridge ^a	398	325	46	371	-27	-6.8%	113	79	-46	-40.7%
Pitt Meadows	0	0	0	0	-	-	0	0	-	-
Anmore	0	0	0	0	-	-	0	0	-	-
Belcarra	0	0	0	0	-	-	0	0	-	-
Coquitlam	452	452	0	452	0	0.0%	105	59	-46	-43.8%
Port Coquitlam	239	131	0	131	-108	-45.2%	0	0	-	-
Port Moody	75	75	0	75	0	0.0%	0	0	-	-
Fraser South HSDA	2,728	2,729	20	2,749	21	0.8%	865	717	-148	-17.1%
Langley	619	650	0	650	31	5.0%	200	166	-34	-17.0%
Surrey	940	1,026	0	1,026	86	9.1%	416	370	-46	-11.1%
White Rock	694	544	0	544	-150	-21.6%	183	146	-37	-20.2%
Delta	475	509	20	529	54	11.4%	66	35	-31	-47.0%
Vancouver Coastal HA	7,091	6,588	135	6,723	-368	-5.2%	2,262	2,104	-158	-7.0%
Richmond HSDA	681	647	0	647	-34	-5.0%	208	163	-45	-21.6%
Richmond	681	647	0	647	-34	-5.0%	208	163	-45	-21.6%
Vancouver HSDA	4,738	4,335	117	4,452	-286	-6.0%	1,622	1,482	-140	-8.6%
Vancouver	4,738	4,335	117	4,452	-286	-6.0%	1,622	1,482	-140	-8.6%
North Shore/Coast Garibaldi HSDA	1,672	1,606	18	1,624	-48	-2.9%	432	459	27	6.3%
North Vancouver	776	712	0	712	-64	-8.2%	309	309	0	0.0%
Lions Bay	0	0	0	0	-	-	0	0	-	-
West Vancouver	523	521	0	521	-2	-0.4%	0	0	-	-
Bowen Island	0	0	0	0	-	-	0	0	-	-
Gibsons	38	38	18	56	18	47.4%	0	0	-	-
Sechelt	111	111	0	111	0	0.0%	33	66	33	100.0%
Sechelt Ind. Gov Dist	0	0	0	0	-	-	0	0	-	-
Powell River	156	156	0	156	0	0.0%	39	33	-6	-15.4%
Pemberton	0	0	0	0	-	-	0	0	-	-
Squamish	61	61	0	61	0	0.0%	25	25	0	0.0%
Whistler	0	0	0	0	-	-	0	0	-	-
Bella Coola	0	0	0	0	-	-	10	10	0	0.0%
Waglisla	7	7	0	7	0	0.0%	16	16	0	0.0%

Location	Residential care beds		Assisted living beds	Residential care and assisted living beds combined			Acute care			
	2001/02	Dec 2004	Dec 2004	Dec 2004	Net change 2001-04	% change	2001/02	2003/04	Net change 2001-04	% change
Vancouver Island HA	5,083	4,588	403	4,991	-92	-1.8%	1,621	1,480	-141	-8.7%
South Vancouver Island HSDA	3,148	2,658	224	2,882	-266	-8.4%	975	914	-61	-6.3%
Esquimalt	0	0	12	12	12	n/a	0	0	-	-
Oak Bay	0	0	12	12	12	n/a	0	0	-	-
Victoria	2,789	2,304	101	2,405	-384	-13.8%	905	848	-57	-6.3%
View Royal	0	0	0	0	-	-	0	0	-	-
Colwood	0	0	10	10	10	n/a	0	0	-	-
Sooke	0	0	0	0	-	-	0	0	-	-
Highlands	0	0	0	0	-	-	0	0	-	-
Langford	0	0	0	0	-	-	0	0	-	-
Metchosin	0	0	0	0	-	-	0	0	-	-
Saanich	150	146	50	196	46	30.7%	51	48	-3	-5.9%
Sidney	127	127	29	156	29	22.8%	0	0	-	-
Salt Spring Island	82	81	10	91	9	11.0%	19	18	-1	-5.3%
Central Vancouver Island HSDA	1,451	1,438	91	1,529	78	5.4%	430	385	-45	-10.5%
Duncan	253	213	0	213	-40	-15.8%	105	82	-23	-21.9%
North Cowichan	74	75	0	75	1	1.4%	0	0	-	-
Lake Cowichan	0	0	0	0	-	-	0	0	-	-
Ladysmith	31	49	16	65	34	109.7%	22	14	-8	-36.4%
Nanaimo	479	558	75	633	154	32.2%	241	236	-5	-2.1%
Parksville	185	158	0	158	-27	-14.6%	0	0	-	-
Qualicum Beach	161	161	0	161	0	0.0%	0	0	-	-
Port Alberni	233	189	0	189	-44	-18.9%	52	43	-9	-17.3%
Shawnigan Lake	35	35	0	35	0	0.0%	0	0	0	
Tofino	0	0	0	0	-	-	10	10	0	0.0%
Ucluelet	0	0	0	0	-	-	0	0	-	-
North Vancouver Island HSDA	484	492	88	580	96	19.8%	216	181	-35	-16.2%
Comox	125	125	0	125	0	0.0%	0	0	-	-
Courtenay	126	127	88	215	89	70.6%	109	96	-13	-11.9%
Cumberland	76	72	0	72	-4	-5.3%	0	0	-	-
Campbell River	138	148	0	148	10	7.2%	70	59	-11	-15.7%
Sayward	0	0	0	0	-	-	0	0	-	-
Gold River	0	0	0	0	-	-	0	0	-	-
Tahsis	0	0	0	0	-	-	0	0	-	-
Alert Bay	9	10	0	10	1	11.1%	6	4	-2	-33.3%
Port Alice	0	0	0	0	-	-	6	0	-6	-100.0%
Port Hardy	10	10	0	10	0	0.0%	15	12	-3	-20.0%
Port McNeill	0	0	0	0	-	-	10	10	0	0.0%
Zeballos	0	0	0	0	-	-	0	0	-	-

Location	Residential care beds		Assisted living beds	Residential care and assisted living beds combined			Acute care			
	2001/02	Dec 2004	Dec 2004	Dec 2004	Net change 2001-04	% changes	2001/02	2003/04	Net change 2001-04	% change
Northern HA	1,006	912	117	1,029	23	2.3%	697	558	-139	-19.9%
Northwest HSDA	258	247	26	273	15	5.8%	195	143	-52	-26.7%
Masset	16	16	0	16	0	0.0%	4	4	0	0.0%
Queen Charlotte	0	0	0	0	-	-	13	8	-5	-38.5%
Stewart	0	0	0	0	-	-	3	3	0	0.0%
Port Edward	0	0	0	0	-	-	0	0	-	-
Prince Rupert	73	53	5	58	-15	-20.5%	41	31	-10	-24.4%
Hazelton	4	4	0	4	0	0.0%	28	15	-13	-46.4%
New Hazelton	0	0	0	0	-	-	0	0	-	-
Houston	0	0	0	0	-	-	0	0	-	-
Smithers ^b	55	69	0	69	14	25.5%	32	25	-7	-21.9%
Telkwa	0	0	0	0	-	-	0	0	0	
Kitimat	35	35	0	35	0	0.0%	22	18	-4	-18.2%
Dease Lake	0	0	0	0	-	-	0	0	-	-
Terrace	75	70	21	91	16	21.3%	52	39	-13	-25.0%
New Aiyansh	0	0	0	0	-	-	0	0	-	-
Telegraph Creek	0	0	0	0	-	-	0	0	-	-
Northern Interior HSDA	497	443	46	489	-8	-1.6%	340	283	-57	-16.8%
Quesnel	115	107	6	113	-2	-1.7%	38	31	-7	-18.4%
Wells	0	0	0	0	-	-	0	0	-	-
Burns Lake	30	34	0	34	4	13.3%	26	13	-13	-50.0%
Granisle	0	0	0	0	-	-	0	0	-	-
Fort St. James	0	3	0	3	3	n/a	15	6	-9	-60.0%
Fraser Lake	0	0	0	0	-	-	0	0	-	-
Vanderhoof	41	38	0	38	-3	-7.3%	27	24	-3	-11.1%
Mackenzie	0	0	0	0	-	-	12	5	-7	-58.3%
McBride	8	8	0	8	0	0.0%	8	3	-5	-62.5%
Prince George	303	253	40	293	-10	-3.3%	214	201	-13	-6.1%
Valemount	0	0	0	0	-	-	0	0	-	-
Northeast HSDA	251	222	45	267	16	6.4%	162	132	-30	-18.5%
Chetwynd	0	5	0	5	5	n/a	11	5	-6	-54.5%
Dawson Creek	43	44	10	54	11	25.6%	62	58	-4	-6.5%
Pouce Coupe	114	81	0	81	-33	-28.9%	0	0	-	-
Tumbler Ridge	0	0	0	0	-	-	0	0	-	-
Fort St. John	94	85	35	120	26	27.7%	64	44	-20	-31.3%
Hudson's Hope	0	0	0	0	-	-	0	0	-	-
Taylor	0	0	0	0	-	-	0	0	-	-
Fort Nelson	0	7	0	7	7	n/a	25	25	0	0.0%
Provincial Health Services Authority	n/a	n/a	n/a	n/a	n/a	n/a	276	279	3	1.1%

Notes: ^aMaple Ridge: BC Ministry of Health numbers vary from those provided by the Fraser Health Authority. ^bSmithers: Bulkley Lodge total of 69 beds includes 14 Riverview beds. 2001-02 residential care (RC) bed numbers from Canadian Healthcare Facilities Guide, health authorities and facilities. 2004-05 residential care (RC) bed numbers obtained from health authority representatives and documents, and facilities, effective December 2004. Acute care bed numbers provided by BC Ministry of Health Services, Data source: OASIS/HAMIS as of September 2004, Prepared by Knowledge Management and Technology Division. Information Resource Management. The numbers may contain some errors (see Note a) but any errors are those of the Ministry, not the authors. HSDA is the acronym for "Health Service Delivery Area." Only those municipalities that have a facility are included in this table. Source: Cohen et al (2005); figures for Penticton, Interior Health Authority and BC Totals modified from original report by inclusion of 65 assisted living beds in Penticton.



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