

Backgrounder

BC Progress Board Third Annual Report: *Measuring BC's Performance: Reaching North Star 2010*

The BC Progress Board has two mandates:

- Benchmarking BC's performance over time and relative to other jurisdictions; and,
- Providing strategic advice to the Premier and government on measures to improve BC's economic performance and its social policy supports.

The two-volume third annual benchmarking report of the BC Progress Board, *Measuring BC's Performance: Reaching North Star 2010*, confirms the leadership benchmarks established in the Board's first two annual reports. The Board believes that British Columbia has all the attributes to be a leader in Canada by 2010. This year's report makes use of the most recent final outcome data, usually 2002. The report benchmarks British Columbia nationally, internationally and regionally.

Volume I: External Performance Review - Inter-provincial and International

Economy, Innovation and Education

The Progress Board has established two overarching goals for British Columbia. The first is to Make BC a Leader in Economy, Innovation and Education in Canada by 2010. To anchor this objective, the Board reports progress on three core target measures: economic growth, standard of living and jobs.

- **Economic Growth**: Target 1st or 2nd among the provinces in the growth of real GDP per capita by 2010. In 2002, BC ranked eighth for the annual growth of real GDP per capita; this is up from BC's tenth ranked performance in 2001.
- **Standard of Living**: Target 1st or 2nd among the provinces for the level of real personal disposable income per capita by 2010. In 2002, BC held onto its third place rank among the ten provinces for the level of real personal disposable income per capita. BC continued to rank tenth for ten-year (1993-2002) improvement in this core target, unchanged from last year's report.
- **Jobs**: Target 1st or 2nd for the employment rate by 2010. In 2002, BC ranked seventh for the employment rate (age 15-64) among Canadian provinces, a drop from its sixth place rank in 2001, and fifth in 2000. BC's ten-year progress rank (1993-2002) remains tenth among the provinces.

The report contains thirteen additional performance indicators that provide further information on BC's economic performance; note that the most recent year of data and the relevant rank are provided in brackets. Four performance indicators registered strong performance, ranking between first and third among the provinces: real average hourly wages (2002, ranked from the perspective of workers, 2nd), taxpayer supported debt (2002/03, 3rd), top personal marginal income tax rate (2003, 2nd), and, university completion for those aged 25-54, (2002, 2nd).

Five performance indicators registered middling performance (ranked between fourth and seventh): productivity (2002, 4th); per capita tax burden (2002/03, 5th); business gross fixed capital formation (2002, 6th); research and development spending as a percent of GDP (2000, 5th); and, employment in natural and applied sciences (2002, 5th). Four indicators registered in the weak category (i.e., ranked between eight and ten): total exports per capita (2002, 8th); provincial deficit/surplus (2002/03, 10th); net inter-provincial migration (2002/03, 9th); and, secondary school graduates (2001, 9th).

This year's report includes several supplementary topic boxes on *economy, innovation and education*. Among the topics examined: Infrastructure, Market Connectivity and Economic Growth; Historical Comparison of Economic Growth, Standard of Living and Jobs; Productivity; Export-led Growth; Business Tax Competitiveness; Size of Government; A Primer on BC's Relative Population Growth; Investment Promotion; Regulatory Burden; BC and OECD International Student Assessment Scores; Apprenticeship Training; Venture Capital; Internet Connectivity and Technology Diffusion; and Technology Transfer and Patents. Some highlights from these topic boxes follow:

- ***Historical Comparison of Economic Growth, Standard of Living, and Jobs*** – In 1970, BC's real per capita GDP was \$3,359 higher than the national average; in 2002, it was \$3,120 below the national average.
- ***Size of Government*** – BC ranked 4th in 2002/03 for government spending as a percent of GDP (27.8%) behind Alberta (18.9%), Ontario (21.9%) and Saskatchewan (27.5%).
- ***A Primer on BC's Relative Population Growth*** – BC's population grew by 13.8% between 1992 and 1997 and by 4.2% between 1997 and 2002.
- ***Reading, Mathematics and Science Literacy Scores*** – BC placed 4th overall among 31 OECD jurisdictions on 2000 Program for International Student Assessment testing for mathematics, reading and science literacy.
- ***Internet Connectivity and Technology Diffusion*** – BC had the 2nd highest Internet connectivity in Canada and the highest (1st) proportion of home Internet users connected to broadband.
- ***Technology Transfer and Patents*** – BC Universities with high levels of sponsored research expenditure are among the most successful in Canada on two measures of technology transfer.

Environment, Health and Society

The second overarching goal is: *Make BC a Leader in Canada on Environmental Quality, Health Outcomes and Social Condition in Canada by 2010*. To anchor this objective, the Progress Board's report includes three specific targets:

- **Environmental Quality:** Target 1st among the provinces for environmental quality by 2010. BC's first place overall rank in 2002 on the Board's environmental quality index, which averages provincial performance on urban air quality, wastewater treatment, greenhouse gas emissions per capita, and protected areas, remains unchanged since the 2002 report.
- **Health Outcomes** (life expectancy at birth): Target 1st among the provinces for life expectancy at birth by 2010. In 2000 (the most recent data), BC ranked first among the provinces on this key measure of overall health outcomes, unchanged from its first place position in

1999 and 1998. British Columbia exhibited the best overall improvement among the provinces throughout the 1990s.

- **Social Condition** (low income incidence): Target 1st or 2nd in Canada for having the smallest percentage of families and unattached individuals living below the low income cut-off (LICO) level by 2010. Statistics Canada has restated historical data for this measure of low income incidence, placing BC in ninth rank for 2001 (the most recent data), unchanged from its ninth place revised ranks for 1999 and 2000. BC ranked ninth for ten-year improvement on the percent below LICO between 1992 and 2001.

There are seven additional indicators used to measure BC's performance on *environment, health and society*; note that the most recent year of data and the relevant rank are provided in brackets. Four of the performance indicators registered strong performance, ranking between first and third among the provinces: protected areas (2003, 1st); cancer mortality (1999, 1st); urban air quality (2002, 3rd) and, greenhouse gas emissions per capita (2001, 3rd). Wastewater treatment (1999, 5th), and the low birth weight rate (2000, 5th) were the two middling performance indicators. Personal and property crime rate (2002, 10th) was the only weak performance indicator.

This year's report contains a number of special topic boxes related to *environment, health and society*. Among the topics examined: Potential Years of Life Lost; Health Care Spending and Health Outcomes; Moving In and Out of Low Income; Health Risk Factors; Crime Rate Changes in G7 Countries; and, Top Five North American Crime Jurisdictions. Some highlights follow:

- **Health Care Spending and Health Outcomes** – As a percent of total provincial government spending, BC's health care spending went from 26.1% in 1976 to 33.6% in 2001.
- **Health Risk Factors** – BC has a very healthy population relative to other provinces: it posted the lowest rate of obesity (2000/01); the lowest proportion of the population that smokes (2002); and the lowest rate of mortality from cardiovascular disease (1999) and cancer (1999).
- **Top Five North American Crime Jurisdictions** – BC is the second highest ranked crime (personal and property) jurisdiction in North America, but registered a 23.1% improvement between 1993 and 2002.

Supplemental US Comparisons

The Progress Board has continued its supplemental comparisons of BC performance relative to the states of Washington, Oregon and California and the provinces of Alberta, Ontario and Quebec, where there is comparable cross-jurisdictional data. The most recent year of data and the relevant rank are provided in brackets.

On ten indicators of *economy, innovation and education*, none placed in the strong category (i.e., first or second place). For four performance indicators, BC placed in the middling category (rank between three and five) – economic growth (growth of real GDP per capita, 2001, 4th), real average hourly wage (ranked from the perspective of employers, 2002, 5th); per capita tax burden (1999/00, 5th), and top marginal personal income tax rate (2003, 3rd). BC registered weak performance (sixth or seventh rank) on standard of living (real personal disposable income per capita, 2002, 6th); jobs (employment to population ratio, 2002, 7th); productivity (2001, 7th); unit labour costs (2001, 7th); surplus and deficit as a percent of GDP (1999/00, 6th); net inter-provincial (state) migration (2002, 6th); and, research and development spending as a percent of GDP (2000, 6th).

Turning to supplemental US comparison measures for *environment, health and society*, comparable data is available for three indicators. The most recent year of data and the relevant rank are in brackets. British Columbia placed in the strong category for urban air quality (2002, 1st) and the low birth weight rate (2000, 1st). British Columbia placed in the weak performance category for personal and property crime rate (2002, 7th).

Supplemental International Comparisons

New to this year's report is a number of supplemental indicators benchmarking BC against the 30 member nations of the Organization for Economic Cooperation and Development (OECD). Similar to US supplemental comparisons, the Progress Board has benchmarked BC where comparable data is available; the most recent year of data and the relevant rank is in brackets.

Looking at *economy, innovation and education*, BC's performance is middling on three of the available indicators; jobs (employment to population ratio for the working age population, 2001, 11th); international exports of goods and services (2001, 16th); and, R&D as a percent of GDP (2000, 20th). BC's performance is weak for economic growth (growth of real GDP per capita, 2001, 28th) and gross fixed capital formation (2002, 22nd).

For *environment, health and society*, BC placed strong on two performance indicators, life expectancy at birth (2002, 2nd) and low birth weight rate (2000, 5th). For greenhouse gas emissions, BC was weak in an OECD context (2000, 23rd), but ahead of Canada (26th).

Volume II: Internal Performance Review - Regional

Special Topic: Population and Agglomeration Trends

In 2003, about 51% of BC's population resides in the Vancouver Census Metropolitan Area (CMA), with the balance residing in "Regional BC". Between 1992 and 1997, BC experienced positive – though uneven – population growth throughout the province, ranging from highs of 15.7% in the Thompson-Okanagan and 15.6% in the Lower Mainland to a low of 3.9% in the North Coast.

Beyond broader rural-urban population shifts in the 1990s, fully five out of eight development regions experienced absolute population declines between 1997 and 2002. Population grew in the Lower Mainland-Southwest by 7.3%; Vancouver Island by 0.6%; and, Thompson-Okanagan by 2.4% during this five year period. The latest (1997-2002) trends occur in the face of a number of key factors:

- Other jurisdictions similar in size and industrial composition to BC are also faced with "Agglomeration" trends, i.e., the tendency for population to cluster and grow in urban centers;
- Declines in the performance of BC's traditional economic drivers – forestry, mining and fishing – along with the shift to service industries has contributed to rural population outflows in many reaches of the province; and,
- The interdependence of the province's Regional and Lower Mainland economies continues to be strong.

Benchmarking Regional and Urban Performance

The Progress Board continues to broadly benchmark regional and urban performance on seventeen indicators covering economy, innovation, education, environment, health and society.

On indicators of *economy, innovation and education*, urban British Columbia (defined as the Vancouver Census Metropolitan Area - CMA) outperforms regional BC (outside the Lower Mainland) on eight out of ten performance indicators: employment rate, taxfiler's employment income, housing starts, non-residential building permits, secondary school graduates, university completion, employment in natural sciences and related occupations, and net new business formation. Regional BC performed better than the Vancouver CMA on retail sales and manufacturing shipments.

This year's report includes – for the first time – supplemental indicators benchmarking inter-regional performance using economic development region and school district data. Some key findings:

- The **Northeast** had the highest employment rate among the Development Regions in 2002 and the highest 1995 through 2002 average.
- The **Northeast** and **Lower Mainland–Southwest** had the highest real per capita incomes. Incomes rose between 1991-2000 in all regions except the **North Coast**.
- British Columbia's high school completion rate (2001/02) varies considerably by school district, from 90% in **West Vancouver** to 33% in the **Stikine**.
- The median income of all British Columbians 15 years of age and over is \$22,095, while the province's **Aboriginal** population is \$13,242.

Of seven indicators of urban versus regional performance related to *environment, health and society*, Regional BC outperforms the Vancouver CMA on three: low birth weight infants, personal and property crime rate and social condition (low income incidence). BC's largest urban region – the Vancouver Census Metropolitan Area – performs better than Regional BC on local air quality, the percentage of the population served by wastewater treatment, life expectancy at birth, and cancer mortality rates. This year's report also includes supplemental benchmarking using data from health authority and municipality boundaries. Some key findings include:

- The **Vancouver Coastal** Health Authority has the lowest cancer mortality rate in BC. The cancer mortality rate in 2002 is lower in every Health Authority than in 1993.
- The lowest cardiovascular disease mortality rate was in the **Vancouver Island** Health Authority (2002). BC cardiovascular disease mortality rates were significantly lower in 2002 than in 1993.
- The **Northern** Health Authority had the lowest rate of low weight births in 2002 (5.1%) and the lowest 1993 through 2002 average rate (4.7%).
- British Columbia's **Aboriginal** population is growing more rapidly than the overall population. As with employment and education indicators, the Aboriginal population is showing improvement relative to both past performance and the BC population as a whole.

The [full two-volume report](http://www.bcprogressboard.com) is available in downloadable format at: www.bcprogressboard.com