

COMPARING BC'S PERFORMANCE – REACHING OUR POTENTIAL Volume II – Internal Performance Review: Regional

Backgrounder

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.

This document is Volume II of the BC Progress Board's fifth annual benchmarking report, *Comparing BC's Performance: Reaching Our Potential*.

Special Topic: Mountain Pine Beetle Epidemic - A Major Challenge for BC

The current mountain pine beetle epidemic, centred on BC's Central Interior, is the largest in recorded history. By the end of 2005, it will cover an estimated 10 million hectares, or 11% of the total land area of BC. Mountain pine beetles are endemic to BC's lodgepole pine, and there have been several epidemics throughout BC's history. The current epidemic has reached the current size because of two reasons: an abundance of lodgepole pine (covering 300% more area in 2000 than 1910) due in part to improved forest fire fighting practices, and a lack of cold temperatures (-40°C in winter or -25°C in early fall or late spring) that are necessary to kill a sufficient amount of beetles.

Controlling the infestation is no longer a possibility. Measures need to be focussed on: tapping all possible economic value from beetle killed trees, preventing the spread to ensure other provinces aren't infested, reforestation that encourages ecological diversity and promotes the growth of trees that can be harvested soon after the beetle epidemic runs its course, and encouraging economic diversification in the communities most affected by the epidemic.

Increased Annual Allowable Cuts in the affected Timber Supply Areas will create a short-term economic boom. However, this boom will be followed by an economic, employment and ecological bust if all interests don't work together to find new uses for beetle-stained wood in the short-term, and promote economic and ecological diversification in the medium-term.

Benchmarking Regional and Urban Performance

The Progress Board broadly benchmarks Regional and Urban Performance on 18 indicators of 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, taxfilers' 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 continues to perform better than urban BC on retail sales and manufacturing shipments. Some key findings include:

- Half of all manufacturing shipments originate outside of Vancouver and Victoria. The proportion of shipments from these two cities fell between 1990 and 1999 but rebounded since 1999. In 2003, Vancouver was responsible for 47.8% of all shipments, Victoria for

only 2.2%, Abbotsford for 3.7% and Regional BC for the remaining 50.0%.

- Real per capita retail sales were \$8,556 in the Vancouver CMA and \$9,752 in the Victoria CMA, Abbotsford CMA and Regional BC combined in 2004. The Vancouver CMA witnessed decreases in real per capita retail sales in every year between 1995 and 1999 and again in 2003 and 2004; areas outside of the Vancouver CMA had decreases in 1995, 1998 and 2003.
- Housing starts per 1,000 population in 2004 were up 98% in Regional BC, 127% in the Vancouver CMA, 151% in the Abbotsford CMA and 164% in the Victoria CMA over their level in 2000. The year 2000 was a trough year for the Vancouver, Victoria and Abbotsford CMAs while 2001 was a trough for Regional BC.
- The inflation adjusted value of non-residential building permits in 2004 in the Vancouver CMA was marginally higher (0.2% or \$1.9 million) than the value of permits in 1995. In contrast, the real value of permits was 21.3% (\$29.9 million) lower in 2004 in the Victoria CMA than in 1995 and was 22.7% (\$154.5 million) lower in Regional BC.
- The percentage of BC's population with a university education grew by 26.7% between 1995 and 2004. Over the same period, the Vancouver CMA had growth of 28.9%, Regional BC had growth of 26.6%, the Abbotsford CMA's ratio fell by 11.1% and the Victoria CMA's proportion of the population (aged 25-64) with a university education fell by 6.4%.

Supplemental indicators benchmarking inter-regional performance outcomes on: Jobs (employment rate), Employment Income, and Manufacturing Shipments by Development Region are included. High school completion by school district and benchmarking of Aboriginal employment, income and education against the general population are retained and updated where possible. While there is little in the way of data updates for the Aboriginal population, the importance of the topic merits its continued inclusion. Some key findings include:

- The Northeast had the highest employment rate among the Development Regions in 2004 and for the 1995 through 2004 average. Over the period of analysis, the lowest employment rate among the development regions was 53.7% – in the Kootenay Development Region in 1997 and in the Vancouver Island and Coast Development Region in 2001. Over the same period, the highest rate observed was the Northeast's 2003 value of 72.4%.
- Seven development regions saw increases in their real per capita income between 1994 and 2003. The exception was the North Coast which had a decrease of 7.2%. The increases range from 1.6% in the Cariboo Development Region to 13.2% in the Northeast.
- The Cariboo and Nechako Development Regions had the highest real per capita manufacturing shipments in 2003 at \$19,739 and \$18,591, respectively, and, in reverse order, the highest 1999-2003 average values as well. The Vancouver Island & Coast development region had the lowest level of manufacturing shipments in 2003 at \$4,547 and for 1998-2002 at \$5,092.
- In 2004/05, BC had a completion rate of 79% for all students and 48% for Aboriginal students. British Columbia's high school completion rate varies considerably by school district, from 93% in Richmond to 59% in Vancouver Island West.
- BC's Aboriginal population (ages 15 and older) reported a 62.9% labour force participa-

tion rate in 2001, with a 48.7% employment rate and a 22.5% unemployment rate. In contrast, BC residents in total (ages 15 and older) reported a slightly higher 65.3% participation rate with a 59.6% employment rate and a significantly lower 8.5% unemployment rate. The median income of all British Columbians 15 years of age and over was \$22,095, while the province's Aboriginal population was \$13,242.

Of eight 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). British Columbia's largest urban region – the Vancouver Census Metropolitan Area – performs better than Regional BC on local air quality, life expectancy at birth, cancer mortality rates, employment insurance and income assistance. Among the findings:

- On average, life expectancy at birth increased by 3½ months per year in the Vancouver CMA between 1995 and 2004. Similarly, it increased on average, by 3½ months per year in the Victoria CMA, by 2 months a year in Regional BC, by ¾ of a month per year in the Abbotsford CMA and by 3½ months a year in BC as a whole.
- Air quality, as measured by the annual mean concentration of PM₁₀ particulates, improved in Vancouver, Langley, Kamloops, Kelowna, and Prince George between 1994 and 2000 by at least 6.8% (Vancouver) and by as much as 26.1% (Kelowna). Campbell River's air quality increased by 10.0% between 1998 and 2000.
- In 2003, the low income ratio in the Vancouver CMA was 17.0% (4.1 percentage points) lower than the city's 10 year average. The ratio in the Victoria CMA was 1.6% (0.3 percentage points) higher than its average and Regional BC's ratio was higher by 12.0% (1.9 percentage points).

Supplemental benchmarking using data from the five regional health authorities is included, featuring: cancer mortality, cardiovascular disease mortality, and low birth weight infants. The report also compares crime rates by Municipality and includes a special topic box benchmarking Aboriginal population and health versus the general population. Some key findings include:

- Over the period 1995 to 2004, the Vancouver Coastal Health Authority had the lowest cancer mortality rate of 13.4 deaths per 10,000 population. Except for the Interior Health Authority, the cancer mortality rate in 2004 was lower than in 1995 throughout the province. Overall, British Columbia's cancer mortality rate was 7.0% lower in 2004 than in 1995.
- The lowest 2003 mortality rate from cardiovascular disease (15.4 deaths per 10,000 population) was in the Vancouver Coastal Health Authority. Mortality rates from cardiovascular disease were significantly lower in 2003 than in 1994 all across BC.
- The Fraser Health Authority had the highest 2004 rate of low weight births (5.9%) and the highest rate, on average between 1995 and 2004, at 5.4%. The Northern Health Authority had the lowest rate of low weight births in 2004 (5.0%) and the lowest 1995 through 2004 average rate (4.6%). No strong trend in the incidence of low weight births is evident over the period 1995 through 2004.
- British Columbia's Status Indian population is growing more rapidly than the overall population. As with employment and education indicators of economic well-being, the Status Indian population is generally showing improvement relative to both past performance and to the BC population as a whole. However, despite improvements, a gap between BC's Status Indians and the general population persists on key health outcome indicators such as life expectancy and low birth weight infants. For example, life expectancy among the Status Indian population in BC in 2002 was 77.2 years – three and a half years shorter than BC's overall life expectancy of 80.8 years.