



CleanBC to Drive Growth, Incomes Down

Victoria silent on government data showing economic shift into a hard reverse



Chris Gardner
ICBA President

We will only achieve currently targeted greenhouse gas emissions reductions in British Columbia by inflicting severe damage to our economy and a punishing hit to living standards. That harsh conclusion flows directly from modeling

that the provincial government itself commissioned on its CleanBC plan.

The Business Council of British Columbia recently ferreted out this analysis that had been buried deep on the environment ministry's website. It shows the expected impacts of provincial climate-related policies in place in 2017, combined with the

additional restrictions, tax hikes, regulations, and subsidies the NDP has put in place since coming to power in mid-2017.

CleanBC will put B.C.'s economy into a hard reverse and do so on a scale never experienced before in this province. And, to make matters worse, B.C. is already one of the worst performing economies in North America. The University of Calgary recently compared B.C.'s income per person to the 50 U.S. states and ranked it #46 - behind Louisiana and just ahead of Alabama. Closer to home, the gap between Alberta's income per person (\$80,000) and B.C.'s (\$57,000) shows just how much ground B.C. has lost in recent years. B.C.'s economic performance is equal parts embarrassing and troubling.

The NDP's complex tax- and regulation-heavy approach to emissions reduction will

shrink the size of core industries (including construction), cut overall economic growth dramatically, and send per-capita incomes into an unprecedented downward spiral.

We need to find a different path - one that keeps us on track toward a lower-carbon economy, but without ill-conceived policies and unrealistic timeframes that will inflict economic hardship on British Columbians and do massive self-harm to our competitiveness and long-term prosperity.

A starting point is having an honest conversation grounded in a shared understanding of the challenges we face. But that's hard to do when government hides data and ignores voices that run counter to its damn-the-consequences approach to climate policy.

The \$28.1 Billion 'CleanBC Cut' to B.C.'s Economy

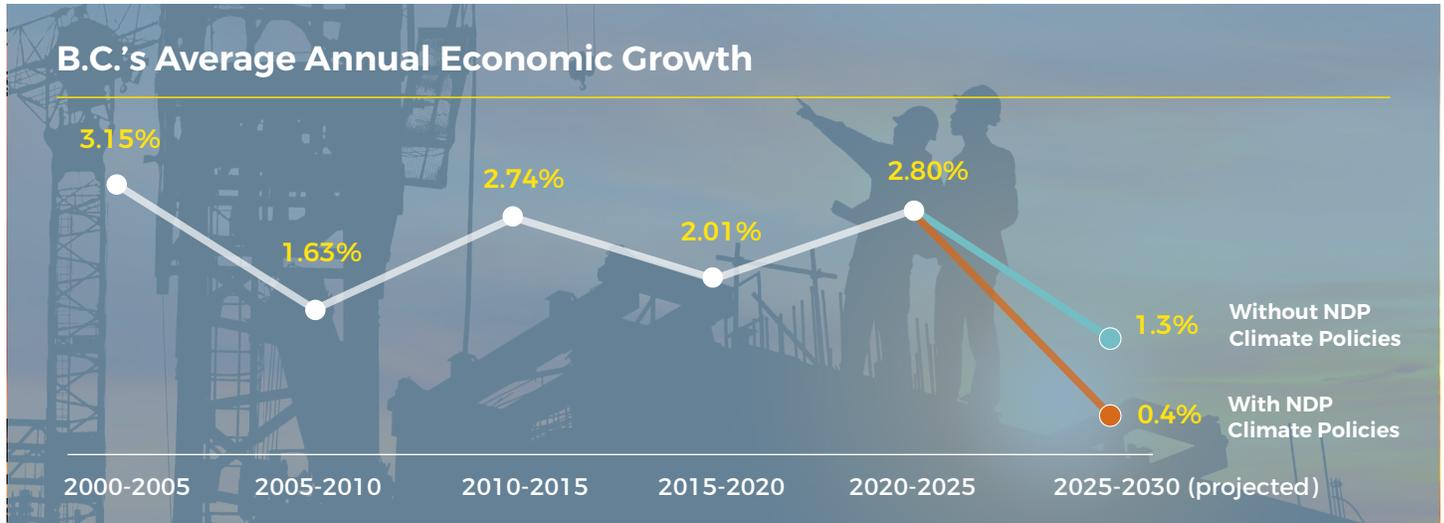
Government modeling indicates that carbon tax hikes and other climate policies implemented by the NDP since taking office will cut B.C.'s rate of economic growth in half - driving it down to its slowest pace on record - and reduce the overall size of the economy by nearly 10%. Commentators have rightly called this an "unmitigated economic disaster" for our province.



Source: "Provincial Forecast of Greenhouse Gas Emissions", B.C. Government, www2.gov.bc.ca/gov/content/environment/climate-change/data/provincialforecast (accessed Oct. 25)

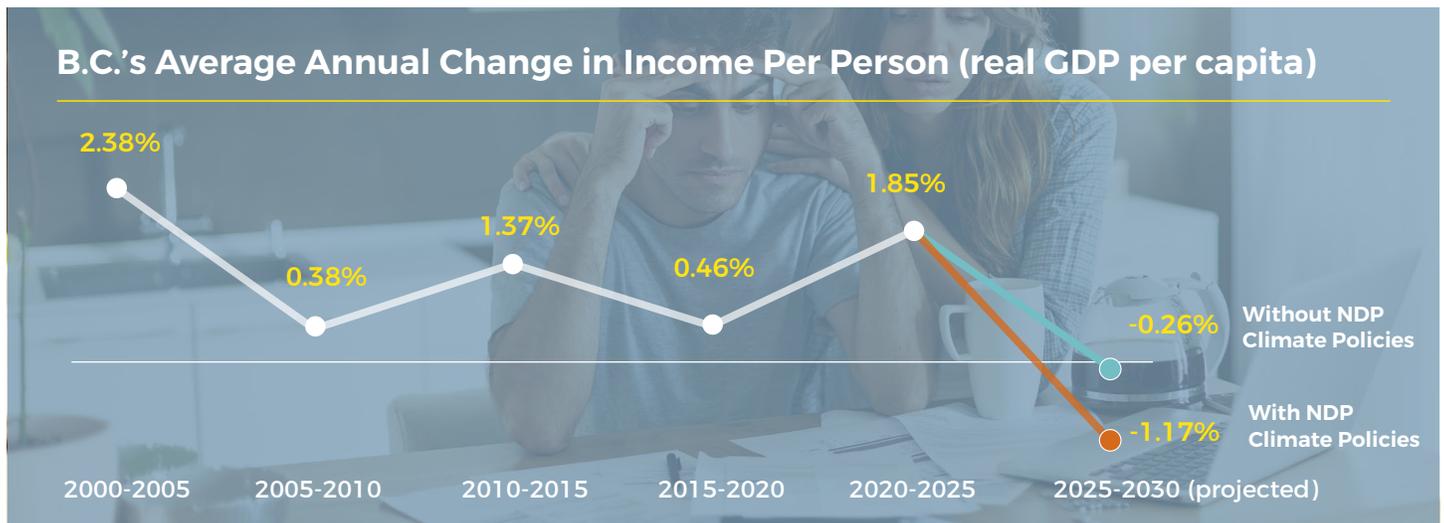
CleanBC Projected to Choke off Economic Growth

Even without the impact of the NDP's unsparing approach to climate regulation, B.C. is likely heading into a period of weaker economic growth later this decade. But government modeling shows that – thanks to the mounting tax and regulatory burden – average annual economic growth risks being all but cut off.



Lower Growth has Consequences for Households

With ongoing population growth, the total size of the economy matters less than the benefits it creates for each British Columbian – and here things get really bleak. The impact of soaring energy costs and other climate-related regulations means that on a per-capita basis, we're about to experience a period of sharply declining incomes.



What Does Lower Income Per Person Mean?

- Pay cheques that don't go as far
- Declining living standards
- Less private sector investment
- Fewer jobs
- Less government revenue to pay for services



Who Will be Impacted Most?

- Young people
- Seniors living on fixed incomes
- Natural-resource dependent communities

Source: "Provincial Forecast of Greenhouse Gas Emissions", B.C. Government, www2.gov.bc.ca/gov/content/environment/climate-change/data/provincialforecast (accessed Oct. 25); and Business Council of British Columbia analysis

Almost Every Economic Sector is Set to Shrink

The projected decline in the size of B.C.'s economy will be reflected across most economic sectors, which are on track to be materially smaller in 2030 than they otherwise would have been. Of seven main industry groupings, only the comparatively small electricity sector is expected to see its level of output boosted by the CleanBC climate policies.

Size of Key Industries in 2030 (real GDP)	Without CleanBC	With CleanBC
 <p>Oil & Gas</p>	\$16.5B	\$13.6B 
 <p>Transport</p>	\$22.1B	\$18.6B 
 <p>Heavy Industry</p>	\$8.9B	\$7.1B 
 <p>Construction</p>	\$20.0B	\$18.1B 

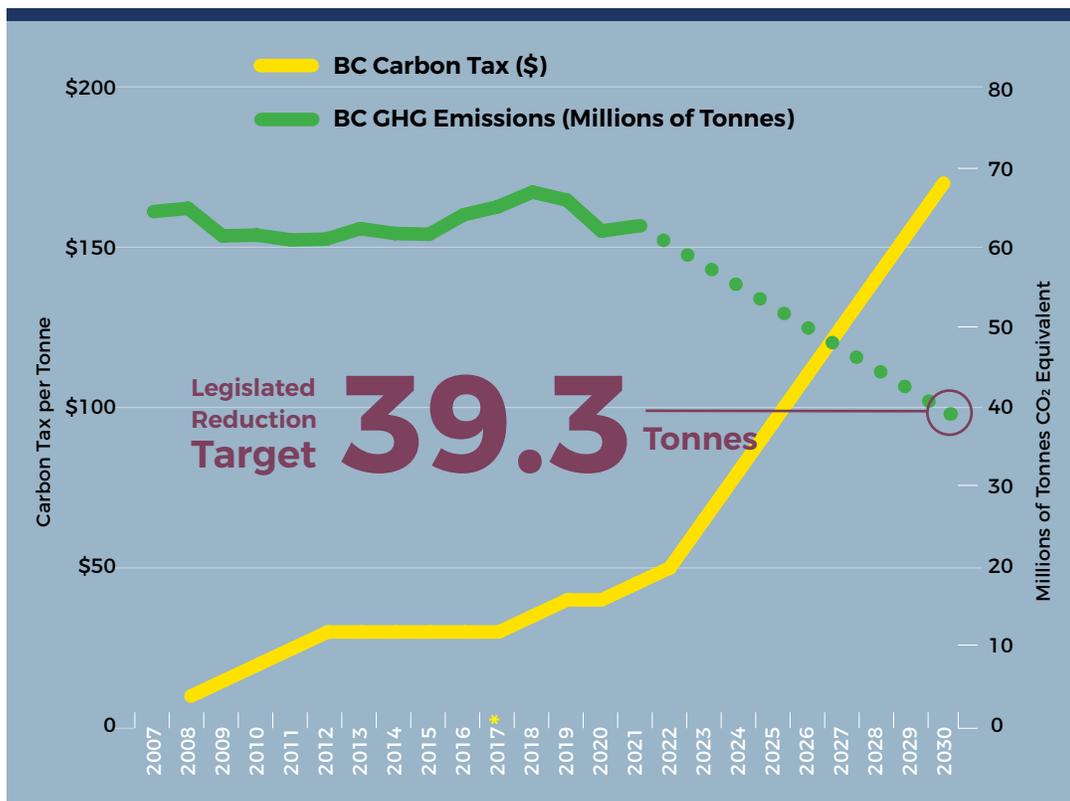
We're Not Getting the Whole Truth

<p>What the Provincial Government Says</p>	<p>Economic impacts are discussed in barely 150 words in the government's nearly 20,000-word CleanBC plan. It claims that 18,000 new direct and spinoff jobs will be created.</p>
<p>What it Left out of the Picture</p>	<p>But the government is only showing one (small) side of the ledger. It left out many other economic impacts that its own modeling shows are inevitable, including wide-ranging job losses, reduced business activity and uncompetitive exports.</p>
<p>The Economic Hits Still to Come</p>	<p>To make matters worse, the NDP is far from finished with adding new economic burdens on business, industry, and households. Not only is the carbon tax continuing to rise steeply, but hard emissions caps on major B.C. industries and other new regulations are still to come.</p>

North America's Highest Carbon Tax Still Leaves us Way Off Target... While Hammering our Economy

B.C. is on the 'bleeding edge' of carbon price adoption, but with little to show for it. In 2021, total emissions were only 3% lower than in the base year of 2007. Yet the government clings to a legislative commitment to cut emissions by 40% by 2030 – meaning we need to achieve more than 90% of the targeted reductions in just a few years. This is simply unrealistic. Government clearly hopes to close that massive gap in part with an endless series of future carbon tax increases and the imposition of more regulations on businesses and households, despite the huge economic cost.

It is time for a re-think of CleanBC, including the fantastical 2030 timelines the government has mandated for huge emissions cuts. Our province can do its part to help address the problem of global climate change without crippling our economy. Doing so will require smart policy, not the foul-tasting meal of dramatic tax increases and onerous new regulations that Victoria has cooked up.



Source: B.C. Ministry of the Environment 1990-2021 Provincial Inventory * Revenue neutrality principal abandoned

To reach the NDP target, we'll need to **cut current carbon emissions by well over one-third** in the next 72 months.

The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the B.C. construction industry and issues relevant to it.



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