

NEWS RELEASE

B.C. government had fastest provincial spending growth in Canada before pandemic

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For Immediate Release

VANCOUVER—After a long period of relative spending restraint, the British Columbia government significantly increased spending—even before any COVID-related spending began, finds a new study published today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank

“In 2017, after years of spending restraint and general prosperity in B.C., the government decided to ramp up spending,” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *The End of Spending Restraint in British Columbia*.

Specifically, in the 17 years from 1999-00 to 2016-17, B.C.’s total per-person program spending (adjusted for inflation) increased by 8.4 per cent. Then from 2016/2017 to 2019/20, spending increased by 12.6 per cent. In other words, in the final three pre-COVID years alone, spending increased by more than the total growth in the preceding 17 years.

The study also shows that during B.C.’s long era of fiscal discipline, per-person spending increased at an annual rate of just 0.5 per cent compared to 4.2 per cent (inflation adjusted) annually since the recent shift in spending policy.

Finally, B.C.’s spending growth was high relative to other jurisdictions. For example, during the same three-year period (2016-17 to 2019-20), per-person spending growth (adjusted for inflation) in Alberta (-3.4 per cent) and the rest of Canada (5.1 per cent) was significantly lower than B.C.’s spending growth rate (again, 12.6 per cent).

“In just three years before the pandemic, B.C. went from a relatively frugal spender to leading the country in spending growth,” Eisen said.

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MEDIA CONTACT:

Ben Eisen, Senior Fellow, Fraser Institute

To arrange media interviews or for more information, please contact:
Mark Hasiuk, Senior Media Relations Specialist, 604-688-0221 ext. 517,
mark.hasiuk@fraserinstitute.org

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