UNIVERSITY OF PENNSYLVANIA SURVEY RANKS FRASER INSTITUTE

TOP THINK TANK IN CANADA, 19TH WORLDWIDE!

Being recognized as one of the top 20 think tanks in the world is validation that the Fraser Institute continues to successfully study and broadly communicate the effects of government policies on the well-being of Canadians.

THE UNIVERSITY OF PENNSYLVANIA’S GLOBAL GO TO THINK TANK REPORT ALSO RANKED THE FRASER INSTITUTE:

1st Top think tank in Canada
4th In the world for social policy research
5th In the world for domestic health policy research
7th In the world for global health policy research
11th Best independent think tank in the world
13th Best use of the Internet in the world
15th In the world for best use of external relations and public engagement, and for best use of social media
15th In the world for most innovative policy ideas
19th Overall among 6,846 think tanks worldwide

THANK YOU!
WE COULD NOT ACHIEVE THESE RESULTS WITHOUT OUR DEDICATED AND GENEROUS SUPPORTERS.
ABOUT THE FRASER INSTITUTE

Since its founding in 1974, the Institute has analyzed and measured government policies and programs to determine whether they will improve the lives of average Canadians or leave them worse off. Government actions in areas such as taxation, health care, income inequality, education, trade, energy, mining, and the environment can deeply affect Canadians’ quality of life. We share our research findings with the Canadian public to help them understand the impact of government actions on their lives and the lives of their children.

Our research is carried out by Institute staff and associated scholars, academics, economists, and policy analysts from around the world. The Institute’s list of researchers has grown to include more than 350 authors (including six Nobel laureates) from 22 countries. Donors are not involved in determining the research agenda or any associated activities.

All Institute research is subject to an extensive peer review process. All new research projects are reviewed by a minimum of one internal expert and two external experts, in a blind process whenever possible.

Sharing our ideas
Communication is central to the Fraser Institute’s mission. Our research studies are distributed in a number of different formats to reach the public, the media, students, academics, Institute supporters, and policy-makers across the country and abroad. This process is facilitated by our on-site staff in our offices in Vancouver, Calgary, and Toronto.

In 2016, the number of news stories mentioning the Fraser Institute increased for the 11th consecutive year. Owing in part to our increased research output, we achieved an all-time high of 29,041 news stories from around the world mentioning the Institute and our work—a 2.5 percent increase over 2015. This is the equivalent of nearly 80 items mentioning the Fraser Institute appearing in print, broadcast, or online every day.

MISSION STATEMENT

Our mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being.
In 2016, Canada’s economy had one of its most difficult years, with growth at a mere 1.3 percent. The medium term doesn’t look much better, with the Canadian economy forecasted to grow at an average rate of just 1.7 percent over the next five years.

Unfortunately, much of the discussion around economic growth has been about the impact of lower commodity prices and reductions in investment spending. While lower commodity prices, in particular oil prices, have deeply affected Canada, our economic problems extend well beyond these external factors.

As the Fraser Institute’s research has shown, governments in Canada have exacerbated the country’s economic problems through poor policy and uncertainty. Damaging tax increases, spending-induced budget deficits, ballooning government debt, increased regulation, numerous anti-resource policies, and troubling Supreme Court rulings are just some of the policies that are having serious economic consequences. This is particularly true for Canada’s two largest economic engines, Ontario and Alberta, which are both facing severe difficulties.

The deterioration in Canada’s investment climate ought to be of the utmost concern to Canadians. The result of that deterioration has been that, as a percent of GDP, private investment in Canada is among the lowest in the OECD. Without increased investment, which could be used to buy leading edge technologies and innovations, economic growth will remain as anemic as the federal government’s own department of finance predicts: an average of just 1.6 percent out to 2030.

These challenges add urgency to the role the Fraser Institute plays.

As you read through this annual report, we are confident that you will agree that 2016 was a tremendous year for the Institute and that our team has never done more to meet the challenges ahead.

The quality of our research and its tremendous impact were recently recognized by the University of Pennsylvania’s 2016 Global Go To Think Tank Index Report, which ranked the Fraser Institute as the most influential think tank in Canada and 19th in the world (out of 6,800 think tanks worldwide). For a relatively small Canadian organization, we command a significant presence here in Canada and around the world.

In 2016, the Institute published a total of 85 studies that addressed many of the most important issues facing Canada: improving health care and education, balancing government budgets, reducing taxes, improving aboriginal well-being, harnessing our natural resources responsibly, and increasing freedom for Canadians, to name only a few.

Since our aim is to reach the greatest audience possible, ensuring that our work gets widespread coverage in both traditional and digital media remains one of our most important goals. Due in large part to the diligence of our communications team, our research continued to reach an ever-growing number of Canadians through multiple channels: print, radio, television, social media, and news websites. Our studies generated over 29,000 media stories in 2016—an average of 80 news stories per day.

The Institute continued to devote increasing attention to its digital communications in 2016. During the year, we produced 75 compelling and sharable infographics which, thanks to their promotion on social media, were viewed by over 2.3 million people on Facebook alone.
We had nearly 3.6 million unique visitors to our websites, a 21 percent increase over 2015, and in 2016 we launched a new economic freedom portal on our main website (www.fraserinstitute.org/economic-freedom) to promote our innovative and ongoing measurement of this key component of economic well-being. The portal includes an interactive world map which enables users worldwide to download, graph, compare, and share economic freedom data tailored to their specific interests.

The Institute currently works with 109 independent institutes in 93 countries and territories to publicize and demonstrate the vital importance of economic freedom in encouraging prosperity and general well-being.

We are also pleased to report that the Institute expanded our efforts to reach students, teachers, and journalists through our education programs. As a result of a generous $5 million donation from Mr. Peter Munk, a long-time Fraser Institute supporter, we launched the Peter Munk Centre for Free Enterprise Education. This new centre will enable the Fraser Institute to replicate in central Canada, with a particular focus on Ontario, the tremendous success its education programs have had in British Columbia (read more on page 16).

Despite our success in 2016, real challenges lie ahead. But you can count on the Fraser Institute to diligently continue to demonstrate and explain which government policies work to promote economic prosperity and to foster a business environment supportive of entrepreneurship. Increasing economic freedom is the surest and fastest path to building prosperity and creating opportunities and better social outcomes for all Canadians, their families, and future generations.

On behalf of the entire Fraser Institute team, we would like to express our sincere gratitude for the continued support of our loyal and generous supporters. We aim to ensure that our efforts warrant your continued support in 2017. And if you haven’t already done so, please consider joining our important efforts.
NO OTHER CANADIAN THINK TANK GENERATES AS MUCH MEDIA AND WEB ATTENTION

MEDIA MENTIONS IN NEWSPAPERS, TV, RADIO AND ONLINE

29,041

UP 73% IN 5 YEARS

2011

2016

21,950 FOLLOWERS

15,450 LIKES

344,512 VIDEO VIEWS

37,400 FACEBOOK AND TWITTER FOLLOWERS
2.3 MILLION PEOPLE REACHED BY OUR INFOGRAPHICS ON FACEBOOK ALONE
UP 206% IN 1 YEAR

3.6 MILLION UNIQUE VISITORS TO FRASER INSTITUTE WEBSITES
UP 88% IN 5 YEARS

1,374 COMMENTARIES PUBLISHED
PLACEMENT IN MAJOR DAILIES UP 30% IN 1 YEAR
OUR NETWORK OF INTERNATIONALLY RECOGNIZED SENIOR FELLOWS
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For their long-standing and valuable support contributing to the success of the Fraser Institute, the following people have been recognized and inducted as Lifetime Patrons of the Fraser Institute.

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† Nobel Laureate  † Deceased
FRASER INSTITUTE FOUNDERS’ AWARD
IN RECOGNITION OF T. PATRICK BOYLE AND MICHAEL A. WALKER

The Fraser Institute Founders’ Award, named after our founders T. Patrick Boyle and Michael A. Walker, is the Institute’s highest honour. The award is presented annually to individuals in recognition of their exceptional entrepreneurial achievements, generous philanthropic endeavors, and dedication to competitive markets. These individuals are role models for the next generation of entrepreneurs and leaders.

T. Patrick Boyle served in the Air Force Signals Corps during the Second World War and then went on to complete his business administration studies before embarking on a highly successful business career that spanned more than 25 years in the U.S. and Canada. He served as MacMillan Bloedel’s first worldwide corporate controller before retiring in 1977 to devote his energy to the Fraser Institute. As founding chairman and long-time vice-chairman of the Institute’s Board of Directors, Mr. Boyle played a pivotal role in ensuring that the Institute’s founding principles continue to guide it to this day. After some years of illness, Pat passed away on November 25th 2015 at the age of 97, leaving behind three children and six grandchildren. A memorial service was held for Pat at the Fraser Institute’s Vancouver office on January 14th, 2016.

Michael A. Walker, Ph.D., was the Executive Director of the Fraser Institute from its inception in 1974 until September 2005. As an economist, he has authored or edited 45 books on economic topics. His articles on technical economic subjects have appeared in professional journals in Canada, the United States, and Europe, including the Canadian Journal of Economics, the American Economic Review, the Journal of Finance, the Canadian Tax Journal, Health Management Quarterly, Weltwirtschaftliches Archiv, and Health Affairs. His primary concern as the Institute’s founding Executive Director was to promote the examination and use of competitive markets as a method for enhancing the lives of Canadians. He is the co-founder, with Milton and Rose D. Friedman, of the Economic Freedom of the World project, which is now a collaboration of institutes in 91 countries and territories producing the annual Economic Freedom of the World Index. The index is one of the most widely cited such measures in current academic literature.

The Fraser Institute Founders’ Award in Recognition of T. Patrick Boyle and Michael A. Walker (formerly known as the T. Patrick Boyle Founder’s Award) has been sponsored since its inception by a grant from the Donner Canadian Foundation and by generous corporate sponsorships. Revenue generated by the tribute dinners, held to honour the selected individuals, funds Fraser Institute research activities.
PAST HONOUREES

2002  The Honourable Ralph Klein†
former Premier of Alberta

2003  Nobel laureate Milton Friedman†
Rose D. Friedman†

2004  Dr. Fan Gang
President, National Economic Research Institute,
China Reform Foundation
Mr. Václav Klaus
Second President and former Prime Minister, Czech Republic

2005  Mr. Gwyn Morgan
former President and CEO, Encana Corporation

2007  The Honourable Anson Chan
former Chief Secretary for Administration, Hong Kong
The Right Honourable Brian Mulroney
former Prime Minister of Canada

2009  Mr. Anthony S. Fell
former Chairman, RBC Capital Markets
Mr. Peter Brown
Chairman, Canaccord Financial
Mr. Harley Hotchkiss†

2010  Mr. Peter Munk
Founder and Chairman, Barrick Gold
Mr. Allan Markin
Chairman, Canadian Natural Resources
Dr. Norman Keevil
Chairman, Teck Resources

2011  Mr. Frank Stronach
Founder and Honorary Chairman, Magna International Inc.
Mr. Darren Entwistle
President and CEO, TELUS Communications Inc.
Mr. Hal Kvisle
former President and CEO, TransCanada Corp.

2012  Mr. Ned Goodman
President and CEO, Dundee Corporation
Mr. Jonathan Wener
Chairman and CEO, Canderel Management Inc.
Mr. George Melville
Co-Chairman and Owner, Boston Pizza International
and the TBM Group of Companies
Mr. Jim Treliving
Co-Chairman and Owner, Boston Pizza International
and the TBM Group of Companies
Mr. Clay Riddell
President and CEO, Paramount Resources

2013  Mr. Eric Sprott
CEO and Chief Investment Officer, Sprott Asset Management
Mr. Brandt C. Louie
Chairman and CEO, H.Y. Louie Company
and Chairman of the Board, London Drugs
Ms. Nancy C. Southern
Chair, President and CEO, ATCO Ltd. and Canadian Utilities Ltd.

2014  Mr. Dennis (Chip) Wilson
Founder of lululemon athletica and Co-founder of whil
Mr. Clive Beddoe
Chairman, WestJet Airlines
Mr. Alain Bouchard
President & CEO, Alimentation Couche-Tard Inc.
Mr. Peter Gilgan
Founder & CEO, Mattamy Homes

2015  Mr. Ryan Beedie
President, Beedie Development Group
Mr. Keith Beedie
Chairman and CEO, Beedie Development Group
Mr. Frederick P. Mannix
Chairman / Director, Mancal Corporation
Mr. Ronald N. Mannix
Founder and Chairman, Coril Holdings Ltd.
Mr. Emanuele (Lino) Saputo
Chairman of the Board, Saputo Inc.
Mr. Lino A. Saputo, Jr.
CEO and Vice Chairman of the Board, Saputo Inc.
Mr. Jack L. Cockwell
Group Chairman, Brookfield Asset Management Inc.

†Deceased
We are delighted to announce that Peter Munk has donated $5 million to launch the Peter Munk Centre for Free Enterprise Education at the Fraser Institute. The gift will allow the Institute to greatly expand its education programs in Central Canada, with a particular focus on Ontario.

“The Fraser Institute is Canada’s leading think-tank and one of the most influential in the world. It continues to play a critical role in improving the quality of life for Canadians,” said Peter Munk. “I am very pleased to support this great Canadian institution and the creation of the new centre. I hope this gift inspires others to support the Fraser Institute in a material way.”
The Centre for Education Programs had a remarkable year in 2016 in large part due to a $5 million donation from entrepreneur and Institute supporter Peter Munk. The donation enabled the Institute in September to launch the Peter Munk Centre for Free Enterprise Education and expand our existing programming into Ontario.

In its first few months of operation, the Peter Munk Centre for Free Enterprise Education held seminars and workshops that benefitted over 4,900 students across Ontario. Fifty teachers participated in two teacher workshops programs held in Toronto on the same professional development day in November. Half of the educators attended the introductory Economic Principles workshop, which covers concepts such as minimum wage policy implications, property rights, economic systems, and the invisible hand principle. The other half attended Economics of Disasters and examined the role of markets versus the role of government immediately following a natural disaster.

At the start of November, for the first time ever in Ontario, we offered two high school seminars. 280 students from 12 schools attended Why Do People Behave the Way They Do? An Introduction to Economic Reasoning; 380 students were on the wait list.

Also in November, seminars for university students were held for the first time in Waterloo and Ottawa where 175 students from all over the province spent a Saturday learning about current public policy issues, asking questions of experts, and exchanging ideas with their peers. Speakers included Eli Dourado, Director of the Technology Policy Program at the Mercatus Center, who had students talking about emerging technologies and permissionless innovation; Lydia Miljan of the University of Windsor, who encouraged attendees to think critically about the federal government’s proposed electoral reform initiative; and Christopher Koopman from George Mason University, who presented on the sharing economy and the vast potential it holds.

Under the auspices of the Peter Munk Centre for Free Enterprise Education, we will offer more programs throughout Ontario in 2017 and thereby continue to expand our impact on students.

This seminar provides rare opportunities for students to immerse themselves in the latest policy discussions about issues that impact this country. It is so important to allow the leaders of tomorrow to think strategically, critically and nationally.
Members of Queen's Model Parliament program attend the student seminar in Ottawa.

Christopher Koopman surveys the audience on their use of the sharing economy services.

A student cleans up "a beach" in an activity that uses the pollution of a public beach as its context and helps to compare marginal to total thinking while demonstrating the concept of opportunity costs.
The Fraser Institute began running seminars for university students in 1988 and over the years we have added a number of new programs providing opportunities for students, teachers, and journalists to learn about economics and the importance of choice and competition.

Currently we are the only organization in Canada offering students aged 13-24, teachers, and journalists the resources, networks, and forums to learn about and discuss economics and public policy from a market perspective. These programs can only take place thanks to generous support from individuals, businesses, and foundations, particularly the Lotte & John Hecht Memorial Foundation and Peter Munk.

Overseen by our senior director Lisa-Diane Fortier, the Centre for Education Programs and the new Peter Munk Centre for Free Enterprise Education offered a wide range of programs that influenced over 40,800 high school and university students, teachers and journalists in 2016.

University and college students took part in 9 post-secondary student seminars offered in British Columbia, Alberta, Saskatchewan, Ontario and Quebec. These seminars help students understand how policy decisions affect our economy, the options that are available to solve various policy problems, and how to critically evaluate those options.

Nearly 1000 students across the country listened to policy experts present on topical issues, and then explored these ideas in small discussion groups with their peers. Across the country speakers and topics varied: Paul Zak, director of the center for neuroeconomics studies, Claremont Graduate University spoke about his book The Moral Molecule: The Science of Good and Evil; David R. Henderson of the Naval Postgraduate School debunked five myths of free markets; Sonia Arrison, best-selling author and associate founder of Singularity University explained how life-extending discoveries could dramatically change our future social and economic worlds; Eli Dourado, director of the technology policy program at the Mercatus Center had students talking about emerging...

The interactive aspect of the seminar was exceptionally valuable. I loved being able to speak with the experts themselves!
Dr. Ninos Malek selects volunteers for an activity that illustrates the law of diminishing marginal returns.

40,800 students, teachers, and journalists engaged through 31 education programs

18,810 students influenced through 7 teacher workshops attended by 209 teachers
technologies and permissionless innovation; Christopher Koopman from George Mason University presented on the sharing economy; and Wall Street Journal columnist Greg Ip had students reconsidering their notions of safety and danger in an increasingly complex and interconnected world.

Students from British Columbia and, for the first time, Ontario, participated in our one-day high school programs. Award-winning presenters taught them fundamental principles of economics and they learned how to think critically about decisions they make. This program has proved so popular that almost 1,200 students were on the wait list for the 2016 programs.

Our student internship program is a unique opportunity for exceptional university students to be paired with senior Fraser Institute staff and make a tangible contribution to the Institute’s work. In 2016, we hired 8 interns through a competitive hiring process. This valuable learning experience helps the interns make the transition to fulfilling careers in the world of ideas. In fact, the internship program has proven to be a valuable recruitment source for the Institute. In 2016, we hired 4 interns from the 2016 intern pool as permanent employees in research, development, and program roles.

Our 2016 student essay contest attracted 340 students. They were asked to identify a single, specific, and practical policy change that would have a big impact on the quality of lives for Canadians. This annual contest encourages students to develop their research and academic writing skills. It exposes authors of winning essays to the peer review process and the rigorous steps involved in publishing a paper—an invaluable tool for those interested in a future in research.

Our online quarterly magazine, Canadian Student Review, is distributed to over 13,500 students annually. Written specifically for students, this unique publication includes a wide range of thought-provoking issues from a free-market perspective, new research from the Institute, topical book reviews, and information on event and job opportunities for students.

## The lessons supplied by the Fraser Institute are always so detailed, complete, well organized and well thought out.

Education Programs also runs teacher workshops, which appeal to both instructors who are new to teaching economics, and those looking for fresh activities and resources to enhance their existing lesson plans. We use interactive lessons that use real-life examples and provide the tools that help make economics fun and relatable. Teachers leave each workshop with a wealth of resources, including detailed lesson plans, activities, and readings. This year we held seven workshops in British Columbia, Ontario, and Alberta, which 209 high school teachers attended. We covered such topics as international trade and the economic way of thinking. As a conservative estimate, the teachers who attended our workshops together teach 18,810 students annually.
With a focus on basic economic principles and how they relate to journalism, the Economics for Journalists program has earned a reputation among journalists as a solid investment in their professional development. One hundred and twenty-three journalists applied for the 75 exclusive spaces in the newly expanded Toronto and Vancouver programs. Participants representing national, regional, and local media outlets came from all over Canada, and included delegates from television, radio, print, and online news media.

The program uses a mix of presentations, videos, group activities, and real-life examples, to give journalists enough knowledge to explain financial terms, demonstrate why people behave the way they do, and confidently analyze policies. Feedback from the programs was overwhelmingly positive.

A fantastic addition to our existing suite of programs are our “edukits.” Edukits are the perfect vehicle for getting economic materials out to teachers, particularly those in remote locations who find it difficult to travel to our high school or junior high school seminars or teacher workshops. While they are common in other subject areas, particularly science, until now, no economics edukits have existed in Canada. These kits consist of a box filled with a selection of lesson plans, reading materials, videos, and activities. All the supplies necessary to teach the various lessons and activities are included, which is critical for getting busy teachers to adopt the materials. 60 edukits were distributed across Canada in 2016. Recipients were chosen on a first-come, first-served basis, and there was no cost for them to participate.

The program was absolutely worthwhile. I found it built on things I knew and it also helped me understand things I did not know. It really makes you think a bit differently.
The Centre for Aboriginal Studies had a year of transition in 2016 as respected scholar and professor emeritus Thomas (Tom) Flanagan returned to the Institute—again as a senior fellow. The centre’s founding associate director, Ravina Bains, left the Institute to lead a major banking initiative on Bay Street directed at Aboriginals in Canada, and former intern and researcher Kayla Ishkanian started her Masters’ program at the University of Toronto.

Senior fellow Tom Flanagan’s return to the Institute was dramatic: his first paper, Why First Nations Succeed, was both a significant scholarly contribution to an important area of Aboriginal policy and a great media success. In total, the report garnered 144 media mentions including prominent coverage on Global TV and CTV News Channel as well as pieces in the Globe and Mail and across the entire Sun newspaper chain. Radio stations across the country also covered the report, which examined how First Nations in Canada with the highest living standards capitalize on, rather than oppose, the economic opportunities available to them, including tourism, recreation, and natural resources.

Before leaving the centre in late 2016, Ravina Bains and Kayla Ishkanian completed two important reports. The first, The Duty to Consult with Aboriginal Peoples: A Patchwork of Canadian Policies examined the legal duty to consult—a principle in Canadian law that obliges federal and provincial governments to consult Aboriginal peoples prior to making decisions that could affect First Nations or treaty rights. The study concluded that the duty to consult has been implemented by provincial governments in different ways, which has resulted in a patchwork of policies that can be difficult not only for Aboriginal people to navigate, but for project proponents who are trying to advance development projects that cross provincial boundaries.

The second paper, Government Spending and Own-Source Revenue for Canada’s Aboriginals: A Comparative Analysis, examined the various revenue sources available to First Nations from both the federal and respective provincial governments. The authors concluded that spending on Canada’s aboriginal population has risen substantially in real terms—in total, per capita, and compared with overall government program spending. This insight is important because too many groups still accept the notion that the underlying problem with Aboriginal well-being is a lack of resources.
Our Economic Freedom of the World Annual Report is the favored source for academic researchers in the growing field of research linking economic freedom and institutions with economic performance. Over the years, research has consistently shown that high levels of economic freedom promote economic growth (leading to much higher incomes for everyone over time), political rights, civil liberties, and improvements in a broad range of social indicators, including life expectancy and life satisfaction. Our 2016 edition included special chapters on gender disparity and legal rights for women, and on the evolution of economic freedom in Ireland, the United States, and Venezuela. These latter three chapters were combined into a standalone paper that was released prior to the book.

The Institute also publishes annual reports on economic freedom in the Arab world and in North America, the latter of which is distributed with the help of our 32 network partners from 28 US states and Mexico. As well, our Human Freedom Index 2016, co-published with the Cato Institute, was listed among the best 50 think tank studies produced during the year. In 2016, the Institute’s economic freedom research was cited 412 times in academic and other professional research. Our work is also of broad public interest, and generated 2,653 media mentions from around the world over the course of the year. As in every year, numerous translations were authorized in 2016, including into Armenian, Bosnian, Bulgarian, Greek, Slovenian, Spanish, and Ukrainian.
2016 saw the launch of our new economic freedom web portal, at www.fraserinstitute.org/economic-freedom, replacing our old dedicated economic freedom site. All of the data and reports from the old site are available on the new site, which also features an interactive economic freedom of the world map, from which users can download custom data. Further, unlike the old site, the new portal is mobile friendly and offers full social media functionality. In 2017, we will be adding an interactive map for North American economic freedom to the portal, along with additional resources.

Five economic freedom audits were held in 2015, in Greece, Serbia, Slovenia, Uruguay, and Venezuela. These audits bring together senior government officials and business leaders for discussions on how to improve the level of economic freedom in their respective countries, using the Institute’s economic freedom index as a template. In those instances where these consultations have resulted in suggested reforms, nations have improved their levels of economic freedom and thus achieved tangible economic and social improvements.
In 2016, the centre published 25 studies, 85 original newspaper columns, and generated nearly 5,700 media mentions, the equivalent of some 16 media spots per day. The infographics and videos that were produced to augment the centre’s studies reached over 1.3 million people on social media. In addition, the centre’s team of economists made several appearances before parliamentary committees and provided submissions to provincial government commissions.

At its core, the centre ensures Canadians understand the full cost of government. Our prime vehicle for reaching average Canadians is *Tax Freedom Day*—a widely reported reminder of the full extent of the tax burden. *Tax Freedom Day* is the hypothetical day when the average Canadian family has paid all its taxes for the year. In 2016, that day fell on June 7th. In 2016, the release received tremendous media coverage including the front page of the *Toronto Sun* and newspapers in the Sun chain, with each newspaper publishing an editorial and news story on *Tax Freedom Day* along with a column written by centre staff. The release also received extensive coverage on television (CBC, CTV, CP24, and BNN) and radio throughout Canada, while the video and supporting graphics reached over 163,000 people on social media.

A related study, our annual *Canadian Consumer Tax Index*, measures the growing tax burden over time. The 2016 edition found that the average Canadian family now spends 42 percent of its income on all taxes, compared to 38 percent for the basic necessities of life including food, housing, and clothing combined. The findings resulted in 1,100 news stories in Canada with prominent placement on the home pages of the *Globe and Mail* and *National Post*. The study was widely covered in the Sun chain of newspapers including front page banners and articles in the *Toronto*, *Winnipeg*, and *Ottawa Sun*. Even *USA Today*, one of the top websites in the United States, covered the study with a link to our video, as did the CBC and CTV. Together, the video and infographic summarizing the study reached 250,000 people on social media alone.

**TAX AND FISCAL POLICY**

Understanding the costs and benefits of government decisions starts with its tax and spending plans. The Centre for Tax and Fiscal Policy, led by director Charles Lammam, is one of Canada’s premier sources for rigorous, thoughtful analyses of government budgets, public finances, and economic policy. Mr. Lammam leads a team consisting of senior research economist Milagros Palacios, senior fellow Joel Emes, policy analyst Hugh MacIntyre, and economist Feixue Ren, supported by a group of distinguished senior fellows and contract researchers.
### Tax Freedom Day 2016

**JUNE 7**

If you had to pay all your taxes up front, you’d give government every dollar you earned before Tax Freedom Day.

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>$14,732</td>
</tr>
<tr>
<td>Payroll/Health Taxes</td>
<td>$10,043</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>$7,013</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$4,214</td>
</tr>
<tr>
<td>Profit Taxes</td>
<td>$3,995</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>$1,648</td>
</tr>
<tr>
<td>Vehicular/Fuel Taxes</td>
<td>$1,225</td>
</tr>
</tbody>
</table>

**Annual total taxes paid $45,167**

by the average Canadian family earning $105,236

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**45,167 VIDEO VIEWS**
In 2016, the centre published a new edition of its periodic study *Measuring the Fiscal Performance of Canada’s Premiers*, which analyzes the fiscal records of 10 Canadian premiers relative to each other during their time in office up to the 2014/15 fiscal year. Each premier received a score based on their performance in three core areas of fiscal policy: government spending, taxes, and deficits and debt. British Columbia Premier Christy Clark ranked first in a virtual tie with Quebec Premier Philippe Couillard, followed closely by Saskatchewan’s Brad Wall. Ontario Premier Kathleen Wynne ranked last among the sitting premiers included in the analysis.

A key fiscal theme throughout the year revolved around government debt, since Canadian governments have significantly increased debt in recent years and many have plans to do so in the future, leaving an enormous burden on the next generation. In the *Cost of Government Debt*, the centre highlights the interest cost that must be paid each year to service the growing government debt. Collectively, interest on federal, provincial, and local government debt costs $63 billion each year, which is equivalent to what Canadian governments spend on K-12 public education. In 2016, the centre also produced a study in response to the federal budget that found that under more realistic spending projections than the government is using, Ottawa could add nearly $200 billion in new debt over the next five years, much more than is currently planned.

Centre researchers don’t just write reports—they engage in public discussion on key issues. During budget season when Canadian governments release their tax and spending plans, the team participates in national and provincial debates, cutting through the political rhetoric and holding governments accountable by providing empirical, factual analyses of budgets.

A major focus for the Centre for Tax and Fiscal Policy in 2016 was correcting the record on inequality and economic progress. Some people incorrectly assert that in Canada inequality is rising dramatically and the middle class is stagnating in order to justify the implementation of damaging public policies such as raising taxes on the country’s skilled and most educated workers. To respond to these misperceptions, the centre released a series of influential studies that found inequality, when properly measured, is not on the rise. In fact, respected economist Don Boudreaux found that middle class incomes in Canada have increased by 52 percent since the 1970s and that Canadians now have to work far fewer hours to purchase common household items than they did in the mid-1970s. In *Measuring Income Mobility in Canada*, centre researchers found that in this country, people can certainly improve their economic standing by pursuing education and skills development, and working hard. While various recent government policies threaten economic mobility, the findings show that the vast majority of Canadians who start with low incomes move up to higher income groups over time, with many reaching the top income groups.

In An *Introduction to the State of Poverty in Canada*, the centre measured the true extent of poverty. Despite what news headlines often proclaim, the poverty rate in Canada has been declining since the mid-1990s and just 1.5 percent of Canadians remain stuck in very low income year after year. This fact contradicts the myth that there is a large and growing portion of Canadians trapped in low income. The study concludes that policy responses to tackling poverty should take into account the characteristics of people who are at a higher risk of being persistently stuck in low income. Some government policies that aim to reduce poverty, such
as minimum wage hikes, have been ineffective and could actually do more harm than good. Raising the minimum wage can hurt the most vulnerable Canadians by reducing available job opportunities.

The Centre for Tax and Fiscal Policy was at the forefront of one of 2016’s most important policy debates—whether or not to expand the Canada Pension Plan (CPP). We did the research, and then let Canadians know that this major policy change was both unnecessary and counterproductive. The evidence shows that there is no retirement crisis; most Canadians already prepare adequately for retirement. If they are forced to contribute more to the government-run pensions, people will simply reduce how much they save privately, leaving total savings unchanged.

The centre released three major CPP-related studies in 2016. They found that investment and administrative expenses make the government’s pension program not as low cost as some believe, that the individual rate of return on CPP contributions is meagre, and that expanding the program will do nothing to help our most financially vulnerable seniors.

The results of these studies were packaged together, along with previous Institute research on the Canada Pension Plan, into an innovative digital campaign to debunk five common myths that were being used to argue for CPP expansion. This high-impact campaign included a dedicated website, pamphlets, videos, and infographics that were viewed and shared widely on social media, reaching over 400,000 people on Facebook.
Since the Fraser Institute launched a centre dedicated to municipal issues two years ago, the Centre for Municipal Studies has brought attention to issues such as municipal finances, land-use regulations, and the costs and benefits of municipally-provided services.

Rising home prices in Canada’s most desirable markets have received much attention in recent years. In its 2016 report, The Impact of Land-Use Regulation on Housing Supply in Canada, the authors remind Canadians that the best way of maintaining affordability is to ensure a healthy supply of new homes. However, a host of factors can impede housing construction. Beyond natural barriers, homebuilders face regulatory hurdles at City Hall. The study estimates how much housing growth has been hampered by red tape in Canada’s largest urban areas. It finds that central neighbourhoods in Toronto, Vancouver, and Calgary would have accommodated more new homes, while some suburbs would have grown less quickly, had more heavily regulated municipalities been in line with their more housing-friendly neighbours. These findings generated over 200 news stories in print (including a front page feature in the Financial Post), and on radio and television. Online the findings reached 70,000 people on Facebook.

The centre built on 2015’s New Homes and Red Tape series to release two new studies in 2016 measuring local regulation of new homebuilding. A survey of industry professionals enabled Fraser Institute researchers to measure five key components of land-use regulation: building permit approval timelines, timeline uncertainty, regulatory costs and fees, rezoning prevalence, and impacts from local council and community groups. The first study reported results in Ontario’s Greater Golden Horseshoe, generating almost 100 news stories across Canada (including a feature in the Toronto Star), and over 20,000 views on social media. The second study focused on Alberta’s Calgary–Edmonton corridor, and was featured in 83 news stories.

There is a widely held public perception that agricultural land is being converted to non-agricultural uses at a high—even an alarming—rate in Ontario. In An Economic Analysis of Rural Land Use Policies in Ontario, Glenn Fox, Professor of Agricultural Economics and Business at the University of Guelph, tests this notion and finds that cropland has remained essentially constant, challenging notions of dwindling space for agriculture. The study also suggests that provincial land-use policies rarely accomplish stated aims like efficiency, prosperity, optimality, or cost-benefit analyses of alternative policy measures. Fox concludes by suggesting alternative approaches to rural land-use policies, including tradeable development rights and compensation for land owners adversely affected by development proposals. The study was featured 112 times in various media.

In 2016, the centre produced an in-depth look at the potential repercussions of municipal amalgamation in Greater Victoria, BC, where talks of amalgamation have increased in recent years. In Governing Greater Victoria: The Role of Elected Officials and Shared Services, Robert Bish, Professor Emeritus at the University of Victoria and Fraser Institute senior fellow, describes how British Columbia’s unique system of regional governance (the regional district system) has benefitted the province’s Capital Region. The study spurred keen interest from local radio, TV, print, and internet media, generating over 60 news stories. It was also widely circulated among local councils in Greater Victoria, providing local decision makers with valuable information on BC’s unique system of local governance.
NEW HOMES AND RED TAPE IN BRITISH COLUMBIA:
Residential Land-Use Regulation in the Lower Mainland

HOW HARD TO BUILD?
1. LANGLEY CITY
2. PITT MEADOWS
3. NEW WESTMINSTER
4. PORT MOODY
5. PORT COQUITLAM
6. CHILLIWACK
7. DELTA
8. MISSION
9. ABBOTSFORD
10. BURNABY
11. MAPLE RIDGE
12. DISTRICT OF NORTH VANCOUVER
13. CITY OF NORTH VANCOUVER
14. COQUITLAM
15. RICHMOND
16. LANGLEY TOWNSHIP
17. SURREY
18. WEST VANCOUVER
19. VANCOUVER

HOW OFTEN IS REZONING NEEDED?
1. LANGLEY CITY
2. PITT MEADOWS
3. NEW WESTMINSTER
4. PORT MOODY
5. PORT COQUITLAM
6. CHILLIWACK
7. DELTA
8. MISSION
9. ABBOTSFORD
10. BURNABY
11. MAPLE RIDGE
12. DISTRICT OF NORTH VANCOUVER
13. CITY OF NORTH VANCOUVER
14. COQUITLAM
15. RICHMOND
16. LANGLEY TOWNSHIP
17. SURREY
18. WEST VANCOUVER
19. VANCOUVER

REZONING WAIT TIMES
1. MONTREAL
2. MONTREAL
3. MONTREAL
4. MONTREAL
5. MONTREAL
6. MONTREAL
7. MONTREAL
8. MONTREAL
9. MONTREAL
10. MONTREAL
11. MONTREAL
12. MONTREAL
13. MONTREAL
14. MONTREAL
15. MONTREAL
16. MONTREAL
17. MONTREAL
18. MONTREAL
19. MONTREAL

MONTHS FOR PROJECT APPROVAL
1. LANGLEY CITY
2. PITT MEADOWS
3. NEW WESTMINSTER
4. PORT MOODY
5. PORT COQUITLAM
6. CHILLIWACK
7. DELTA
8. MISSION
9. ABBOTSFORD
10. BURNABY
11. MAPLE RIDGE
12. DISTRICT OF NORTH VANCOUVER
13. CITY OF NORTH VANCOUVER
14. COQUITLAM
15. RICHMOND
16. LANGLEY TOWNSHIP
17. SURREY
18. WEST VANCOUVER
19. VANCOUVER

COMPLIANCE COST PER NEW HOME
$51,804
$77,998

SURREY
VANCOUVER
DELTA
WEST VANCOUVER
NEW WESTMINSTER
ABBOTSFORD
LANGLEY TOWNSHIP
SURREY
VANCOUVER

HOW DO LOCAL COUNCIL AND COMMUNITY GROUPS AFFECT NEW BUILDS?
PORT MOODY
PITT MEADOWS
PORT COQUITLAM
DO NOT DETER
WEST VANCOUVER
SURREY
VANCOUVER
DETER

FACEBOOK REACH
< 20,425
Alberta represents just 11 percent of Canada’s population, but has a long history of punching above its weight as an economic driver within Canada. The province has contributed disproportionately to the country’s economic growth over the past 15 years and remains, even during these hard economic times, the largest per-capita fiscal contributor to the Canadian federation.

Historically, Alberta has helped drive growth across Canada by motivating and leading economic and fiscal reforms, thus providing a clear example of how pro-growth tax and regulatory frameworks can bring prosperity and opportunity. For this reason, it is doubly important that Alberta gets policy right—and doubly problematic when Alberta gets policy wrong. That’s why our Alberta Prosperity Initiative (API), housed in our Calgary office, is a key strategic priority for the institute.

The API is a multi-year program focused on measuring the effects of policy choices in Alberta, and educating the public about ideas that can help ensure a prosperous Alberta now and in the future. It is led by director Ben Eisen and senior policy analyst Steve Lafleur, who together oversee the API’s research and outreach initiatives.

In 2016, we made significant headway on this objective, publishing numerous original and influential studies about policy developments in the province. Among the more influential studies the API published in 2016 were: One Energy Boom, Two Approaches: Fiscal Restraint has Left Texas in Better Shape than Alberta and How Much, How Fast? Estimating Debt Accumulation in Alberta through 2019/20.

A key objective of the API is to ensure that Fraser Institute research receives wide coverage in Alberta. Through news releases, commentaries in major newspapers, and interviews on radio and television programs, the API has maintained a strong presence in the province’s news media; in 2016 it received over 2,335 media mentions.

One study that had a particular impact was the API analysis of Alberta’s fiscal situation compared to that of the energy-producing state of Texas. In addition to generating several high-profile interviews on popular radio and television programs throughout the province, the study was widely covered in the print media, including on the front page of the Calgary Herald.

The API produces informative short videos and infographics that help us reach different audiences and are easily shared through social media. One infographic that had the most impact in 2016 accompanied our study on the pace of debt accumulation in Alberta, and generated hundreds of direct engagements on social media.
ONTARIO PROSPERITY INITIATIVE

The Ontario Prosperity Initiative (OPI) is a multi-year initiative based out of our Toronto office which aims to educate Ontarians about the biggest public policy challenges facing their province. The OPI has played a substantial role in shaping policy discourse throughout Ontario, heightening public awareness of serious challenges including a growing debt burden, uncompetitive tax rates, and high energy prices.

2016 was a breakthrough year for the OPI. The initiative now has its own director, Ben Eisen, who is dedicated full time to researching, analyzing, and commenting on Ontario policy issues. In 2016, we secured a regular twice-monthly column in the widely-read Toronto Sun and Ottawa Sun newspapers, allowing us to regularly reach large audiences with key research findings. Aside from these columns, in 2016 the OPI published dozens of additional original commentaries including in the Globe and Mail and National Post.

The OPI published a number of high-impact studies in 2016 focused specifically on policy development in Ontario. Among them were:

- Spending is the Source of Ontario’s Deficit and Debt Problem
- Debt Accumulation in Ontario Compared to Other Provinces
- Ontario vs. Michigan: Policy Lessons from the Wolverine State
- The Five Solitudes of Ontario: A Regional Analysis of Labour Market Performance in Post-Recession Ontario

The Fraser Institute has generated over 5,800 news stories in Ontario media over the past two years. Our analysis of Michigan’s recent economic reforms and their possible implications for Ontario received coverage domestically in the Sun chain, the Globe and Mail, the National Post, along with significant coverage in the United States. The Wall Street Journal, Detroit News, and American Spectator all reported on the study.

Each OPI publication is accompanied by infographics and/or short informative videos that quickly and powerfully communicate key research findings. Our video Job Losses in Ontario: It Depends on Where You Live, has been viewed more than 33,000 times.

Fraser Institute has been at the forefront of the policy debate surrounding Ontario’s energy policy.
The Institute continues to conduct research on key public policy topics in Québec, and to disseminate the findings of its national studies in Québec. The Institute released two major province-specific studies in 2016. *Interprovincial Migration in Canada: Québeckers Vote with Their Feet* found that, in every single year from 1971 to 2015, more people have moved out of Québec than moved in from other provinces. The net population loss in that time was 582,470 people, most of them young and in the early stages of their careers. This trend contributes to Québec’s ageing population and could have widespread ramifications in the years ahead unless the provincial government creates a more promising economic climate. This study received 308 media mentions in major media outlets across the country.

*Report Card on Québec’s Secondary Schools,* an annual favourite in the province, ranked 459 public, private, francophone, and Anglophone schools based largely on results from province-wide tests. The report card generated 242 media stories, including extensive coverage on television and 32-page inserts in *Le Journal de Montréal* and *Le Journal de Québec,* providing detailed results for each school. An additional study comparing the compensation and benefits of government and private sector workers was also completed in 2016, but not released until early 2017.

The Institute worked to make Québécois aware of the province-specific findings of some of our other studies. For example, our paper on independent schools was translated into French and then remarkeeted within the province to highlight the independent school landscape there. Separate French-language provincial press releases, executive summaries, and infographics were also produced for selected other studies.

Institute staff and senior fellows wrote numerous opinion columns that appeared in leading French and English newspapers in the province, including *La Presse, Le Journal de Montréal,* *Le Journal de Québec,* and *The Gazette.* The Institute increased the number of its staff and senior fellows who are fluent in French in 2016, enabling us to meet more of the demand for interviews from radio and television outlets. Overall, the Institute’s research generated 860 mentions in Québec media alone in 2016; 1,056 mentions once Ottawa and the province’s English-language papers are included.

The Institute held two major events in Montréal during 2016. In March, 113 students attended our annual student seminar, which featured presentations by distinguished policy experts followed by small-group discussions. In November, the Institute presented its Founder’s Award to Serge Godin, founder and executive chairman of the board of CGI Group, at a gala dinner that was attended by 330 people. The award honours business and community leaders for their dedication to entrepreneurship and their support for private philanthropy.
L’Institut continue de mener des recherches sur les principaux thèmes de la politique publique au Québec et d’y diffuser les conclusions de ses études nationales. L’Institut a publié deux grandes études portant sur la province en 2016. L’étude intitulée La migration interprovinciale au Canada : Les Québécois votent avec leurs pieds a constaté que pour chaque année de 1971 à 2015, le nombre de personnes qui ont quitté le Québec pour une autre province était supérieur au nombre de celles qui y ont immigré en provenance d’autres provinces. Au cours de cette période, la perte nette de population a été de 582 470 personnes, la plupart étaient des jeunes en début de carrière. Cette tendance contribue au vieillissement de la population québécoise et pourrait avoir d’importantes répercussions dans les années à venir à moins que le gouvernement provincial n’arrive à créer un climat économique plus prometteur. Cette étude a été mentionnée 308 fois dans les grands médias à travers le pays.


L’Institut s’est employé à sensibiliser les Québécois aux résultats concernant leur province dans certaines autres de ses études. Par exemple, notre dossier sur les écoles indépendantes a été traduit en français et remis en circulation dans la province pour décrire la situation de ses écoles indépendantes. Des communiqués de presse, des résumés et des infographiques distincts en français, ont aussi été produits à l’intention de la province sur d’autres études choisies.

Le personnel de l’Institut et des agrégés supérieurs de recherche ont rédigé de nombreuses chroniques parues dans les principaux journaux francophones et anglophones de la province, dont La Presse, Le Journal de Montréal, Le Journal de Québec, et The Gazette. En 2016, l’Institut a augmenté le nombre de ses employés et agrégés de recherche parlant couramment le français, ce qui nous permet de donner plus d’entrevues sur les ondes de stations de radio et de télévision. Dans l’ensemble, les recherches de l’Institut ont reçu 860 mentions dans les médias du Québec en 2016 seulement; 1056 mentions si on inclut les médias d’Ottawa et les journaux anglophones de la province.

L’Institut a tenu deux importantes rencontres à Montréal en 2016. En mars, 113 étudiants ont assisté à notre colloque annuel pour étudiants, où d’éminents spécialistes des politiques ont présenté des exposés suivis de discussions en petits groupes.

En novembre, l’Institut a décerné son Prix des fondateurs à Serge Godin, fondateur et président exécutif du conseil d’administration du Groupe CGI, lors d’un dîner de gala réunissant 330 personnes. Le prix est attribué aux dirigeants d’entreprise et membres influents de la collectivité afin de souligner leur esprit d’entreprise et leur appui à la philanthropie privée.
Energy and mining are critical economic activities in Canada, and for Canadian companies abroad. In 2015, the last year for which we have available data, Canada’s energy sector—oil, gas, and electricity—produced about 7 percent of Canada’s Gross Domestic Product, and comprised 21 percent of Canada’s domestic merchandise exports. Employment in the energy sector is roughly 5 percent of all Canadian employment. Meanwhile, Canada’s mining sector was responsible for more than 3 percent of Canada’s economic growth, and accounted for 19 percent of the value of all Canadian goods exported in 2015. Over 370,000 Canadians are employed in the mining sector, and the sector is the largest private sector employer of aboriginal peoples.

The Fraser Institute’s Centre for Natural Resource Studies, headed by Kenneth Green and assisted by economists Taylor Jackson, Elmira Aliakbari, and senior fellow Ross McKitrick, examines public policy involving Canada’s energy and mining economies. Our focus is understanding the impact that governmental rules and regulations have on those key economic sectors, and our aim is to educate everyday Canadians about how those rules and regulations might impact them, as well as their children and grandchildren.

In 2016, we studied how Alberta’s carbon emissions cap will reduce the growth (and economic benefits) of oil sand production. We quantified the cost of continuing obstructionism over pipelines—obstructionism that is not only costing real Canadians real wealth, but is affecting government revenues. The centre also studied the impact of “demand side management” programs in Ontario’s electricity sector. These programs ostensibly aim to save people money by helping them conserve power, but we found no evidence that these programs are effective, yet they cost Ontario taxpayers billions of dollars.

In 2016 the centre again published two of the Institute’s most popular products: our annual surveys of senior executives in the mining and petroleum sectors, who rank jurisdictions around the world on their attractiveness for investment. Both surveys appeal to diverse audiences: governments wishing to improve their investment attractiveness, companies evaluating where they might invest, investment rating firms seeking hospitable investment opportunities, journalists, students, academics and more. Our mining survey alone was mentioned more than 5,000 times in media outlets around the world, and is showcased by numerous national delegations at the world’s largest mining conference, PDAC. Finally, in 2016, we completed the first comprehensive study of energy poverty in Canada. What we found is shocking: in 2013, nearly 8 percent of households in Canada spent more than 10 percent of all household expenditures just on energy used in their homes. In Atlantic Canada, a full 20 percent of households were enduring energy poverty. When the costs of gasoline are added in, those numbers more than double.
The Alberta government has proposed implementing a 100 megatonne (Mt) cap on greenhouse gas (GHG) emissions that result from oil sands operations. This paper estimated future emissions levels from oil sands production using oil sands production forecasts to 2040 from the National Energy Board.

Based on estimates of future production, this policy has the potential to constrain future oil sands production. In a scenario based on current emissions intensity levels, the policy could reduce cumulative production between 2025 and 2040 by 3.34 billion barrels of oil. In a scenario where the emissions intensity of oil sands production is reduced, the policy could result in cumulative production losses between 2027 and 2040 totaling 2.03 billion barrels of oil.

The cumulative value of the lost production could be large, totaling CA$254.74 billion (in 2015 dollars) in a scenario based on current emissions intensity levels. In a scenario where the emissions intensity of oil sands production is reduced, the cumulative lost value could be CA$153.41 billion (in 2015 dollars).

The policy could cumulatively abate 236 Mt of CO₂ equivalents, at an average cost of CA$1,035 (in 2015 dollars) per tonne of GHG emissions in the current emissions intensity level scenario between 2025 and 2040. The cumulative level of GHG abatement would be lower in a scenario where emissions intensity reductions occur but come at a higher cost.

The 100 Mt cap on GHG emissions appears to place large costs on Canadians by potentially constraining future growth in oil sands development, while providing little in the way of avoided GHG emissions.
The Fraser Institute’s Centre for Health Care Studies educates Canadians about problems in Canada’s health care system and researches potential solutions.

One of the centre’s premiere reports is the annual survey of wait times for medical treatments, *Waiting Your Turn*. In 2016, *Waiting Your Turn* was one of the Institute’s highest ranked media reports, in part because of its startling conclusion: the median wait time in Canada was 20 weeks—the longest ever recorded—and more than double the 9.3 weeks Canadians waited in 1993 when the Fraser Institute first produced a national estimate of wait times for medically necessary elective treatments. The report garnered almost 2,000 media mentions including 493 radio segments and 210 television appearances. It was covered by every major print, radio, and television station across the country and even received attention from major radio and television outlets in the United States. An accompanying video detailed the deterioration of wait times over the last two decades.

An annual study linked to *Waiting Your Turn* surveys the degree to which Canadians may be leaving the country to obtain medical care. *Leaving Canada for Medical Care*, 2016 estimated that more than 45,000 Canadians in 2015 received non-emergency medical treatment outside the country. The report garnered almost 1,000 media mentions, including 213 radio segments across the country and 109 prominent television reports from coast to coast. It was also discussed during the presidential primary debates in the United States and was quoted on the BBC’s website.

Another of the centre’s studies, *The Sustainability of Health Care Spending in Canada*, projects how health care spending by provincial governments will grow over the next two decades based on a host of factors including demographic changes. It concluded that in every province, health care spending is expected to consume an increasing portion of total program spending, potentially triggering some combination of higher taxes, larger deficits, and reduced spending. The report received over 250 media mentions including prominent coverage in the *Globe and Mail* and *National Post* as well as on radio and television across the country.

Several of the centre’s reports in 2016 focused on health care reform. One high profile study by former Saskatchewan NDP Finance Minister Janice MacKinnon provided an overview and assessment of recent innovations from the Saskatchewan Surgical Initiative. One of the initiative’s advancements has been to introduce private, for-profit clinics as service providers within the framework of the public system. Saskatchewan government statistics cited in the study, *Learning from the Saskatchewan Surgical Initiative to Improve Wait Times in*...
Canada, showed a 75 percent decline in the number of patients waiting for more than 3 months for medical treatment and a substantial reduction in per treatment costs.

Early in 2016, the centre published a paper that examined how a select group of high performing countries with universal access to health care handled cost sharing. The study pointed out that most other countries with universal health care systems routinely require patients to share in the cost of treatment through co-insurance contributions, co-payments, deductibles, and user fees. The study showed that not only are such payments compatible with the concept of universality, but they are, in fact, the norm. This is an important area of reform since the Canada Health Act specifically prohibits such payments.

The centre continues to research and publish work on innovation in medical care and pharmaceuticals, both of which are essential for effective, cutting-edge medical therapy.

In 2016, in an initiative led by senior fellow Steven Globerman, the centre published Intellectual Property Rights and the Promotion of Biologics, Medical Devices, and Trade in Pharmaceuticals, collected essays from an international symposium held in 2015. The book included contributions from leading scholars including Tomas Philipson of the University of Chicago discussing patent issues related to medical innovations, Kristina Lybecker of Colorado College on the emerging biologics revolution, and Christopher Sands of Western Washington University on trade issues related to intellectual property rights.

The centre also published a paper specifically focused on the new area of biologics, which is now revolutionizing the pharmaceutical industry and will become increasingly important in the years ahead. Kristina Lybecker’s The Biologics Revolution in the Production of Drugs explained the emerging science of biologic medicines, which involves genetically engineering living cells to produce needed proteins. Biologics have shown great promise in the diagnosis, treatment, and prevention of more than 250 diseases, including a variety of cancers. The study finds that Canada’s protection of intellectual property for biologic medicines lags behind that of other countries, which has the effect of limiting Canadians’ access to these drugs and stunting this country’s investment in them. If Canada is to realize the benefits of these therapeutic advances, the study suggests that there must be sufficient incentives to ensure their development, and that they are precisely developed, responsibly manufactured, and effectively brought to those who need them.
The centre researches ways to improve elementary and high school education in Canada, including how to increase parental choice in education, enhance teacher effectiveness, and improve curricula. The centre also collaborates with the Institute’s education programs to conduct teacher workshops and develop and distribute new learning resources to teachers. Since its creation in 2013, the Barbara Mitchell Centre for Improvement in Education has made great strides in changing the debate about school choice and K-12 education financing.

One 2016 study in particular contributed to this change. *A Diverse Landscape: Independent Schools in Canada* catalogued and categorized each of the 1,935 independent schools in the country for the first time. The study dispels a lingering misperception about private schools in Canada that continues to cloud the public’s views of them—that they are only for the wealthy few. It found that the majority of independent schools don’t conform to this elite stereotype. Indeed, only 4.7 percent of all independent schools in Canada were found to have characteristics commonly associated with elite preparatory schools.

The centre completed an additional six studies in 2016, including two that highlighted policy insights from the regulation and funding of independent schools in Sweden and Australia, where independent school enrolments are much higher than in Canada.

To help counter several widely believed inaccuracies about education spending in Canada, the centre published *Understanding the Increases in Education Spending in Public Schools in Canada*, which found that spending on public schools over the past decade increased by $18 billion, and that the lion’s share of that increase (nearly 80 percent) went to salaries, pensions, and benefits. Providing the facts has helped counter the false narrative promulgated by teachers unions and activists across the country that spending on education has been cut.

Because the delivery of K-12 education is a provincial responsibility, the centre focuses some of its efforts on specific provinces. For example, with support for independent schools under fire from several quarters in British Columbia, including from the provincial Leader of the Opposition, the centre published a critically important study, *Independent Schools in British Columbia: Myths and Realities*. The study found that independent schools actually save taxpayer dollars. If the partial funding of independent schools is cut, it may force students to leave such schools and relocate to public schools, thereby increasing the financial strain on the public system and costs for BC taxpayers.

All told, the centre’s work generated an impressive 900 media mentions in 2016 with an ad equivalency of $4.7 million and a cumulative audience of just over 12 million
in Canadian print and broadcast media. Seven infographics, which the Institute produced to accompany the studies, reached over 200,000 people through the Institute’s Facebook page alone.

The Barbara Mitchell Centre also published 19 commentaries during the year which were published in major outlets such as the Sun newspaper chain (Calgary, Edmonton, Winnipeg, Toronto and Ottawa), Ottawa Citizen, Saskatoon Star Phoenix, Edmonton Journal, Calgary Herald, and Vancouver Sun.

In addition to its research and outreach efforts, the centre held three teacher workshops in 2016 which covered economic principles and issues on international trade and were attended by 84 teachers. As usual, feedback from the teachers was excellent with attendees unanimously stating that they would recommend the program to their colleagues.
SCHOOL PERFORMANCE RANKINGS

The Fraser Institute is the only organization in Canada providing parents and educators with empirically-based, annual report cards on the performance of individual schools. Since 1998, the Centre for School Performance Studies under the direction of Peter Cowley has published 111 report cards for schools in British Columbia, Alberta, Ontario, Quebec, New Brunswick, and Washington State.

By combining a variety of relevant, objective indicators of school performance on one easily accessible website, the report cards enable parents, teachers, and school and board administrators to analyze the academic performance of individual schools over time. In addition, the report cards identify those schools that have improved their academic results. This evidence of improvement shows what can be accomplished and improving schools can offer advice to less successful schools so that they too can improve their students’ learning.

For the first time in 2016—the program’s 19th year of operation—more than 2,000,000 parents and educators visited the Institute’s dedicated school rankings website—www.compareschoolrankings. To put this number in perspective, we estimate that between 45% and 55% of families who have one or more children in a ranked school visited www.compareschoolrankings at least once during the year.

The Report Card project is designed to provide parents and educators with the means by which to compare school results in useful ways. The continuing growth in its popularity suggests that it is fulfilling its purpose.
LYDIA MILJAN AND ELECTORAL REFORM

More than 60 senior fellows are connected with the Institute and in 2016 they continued to provide a critical resource for our research and education efforts. Our senior fellows deliver needed capacity in many of the Institute’s departments.

One of the Institute’s highest profile and most timely projects undertaken in 2016 was led by senior fellow and professor Lydia Miljan of the University of Windsor. Prof. Miljan was the lead editor of a series of essays that were collected into a book entitled Counting Votes: Essays on Electoral Reform. Leading scholars in Canada contributed pieces covering issues that were either being ignored or misunderstood in the discussions about the merits of different reform options. For instance, political scholar John Pepall explained the benefits of Canada’s current electoral system, known as first-past-the-post. His essay received prominent print coverage across the country including in the Vancouver Sun, Calgary Herald, Ottawa Citizen, Montreal Gazette, and the National Post.

Also included in the volume was an essay by professor Patrice Dutil of Ryerson University that explained why any

135,000 FACEBOOK REACH
change in the fundamental voting process for political representatives would require a referendum for approval for it to be constitutionally acceptable. Dutil’s essay was featured prominently in the *Globe and Mail*, among other outlets.

Of the two remaining essays in the book, one by Institute staff examined the impact on government policy—namely, spending, taxes, and deficits—of moving from the status quo to proportional representation, a system that many electoral reform advocates prefer. The essay found that proportional representation empowers smaller, often fringe parties, and results in higher levels of government spending, largely financed by higher deficits. This essay received wide media coverage, including prominent placement in all the Sun newspapers and the *National Post*. It was also featured on CPAC and TVO as well as on radio stations across Ontario, Alberta, and British Columbia.

The final essay, by Prof. Miljan and Taylor Jackson, was referred to prominently by the parliamentary committee on electoral reform examining the likely implications of moving to a preferential or alternative ballot—the option favoured by the government. The essay’s empirical analysis was instrumental in showing how a preferential ballot would dramatically reduce competition among the parties likely to form government in Canada—and that the main beneficiary was almost without exception the Liberal Party.

**ROSS MCKITRICK AND AIR POLLUTION**

University of Guelph economist and Fraser Institute senior fellow Ross McKitrick is another senior fellow who contributed significantly to the Institute’s success in 2016. He and Elmira Aliakbari, his then research associate and now Fraser Institute senior economist, conducted an empirical analysis of the coal phase-out program in Ontario. They examined the evidence regarding the costs and benefits of the phase-out program, which is now being considered for replication elsewhere. *Did the Coal Phase-out Reduce Ontario Air Pollution?* found that the program reduced fine particulates, a common measure of air pollution, by only a small amount. In Toronto and Hamilton the reduction was statistically insignificant. In fact, had the province completed its modernization of the coal-fired plants instead of shutting them down, the same reductions in fine particulates could have been achieved at much lower cost. The paper received a whopping 400-plus media mentions, including in the entire Sun newspaper chain (a total of 38 stories), multiple stories in the *Financial Post* and *National Post*, and enormous radio coverage from coast to coast. Interestingly, the study received considerable coverage in Alberta, where the provincial government is starting a similar phase-out. The study was a top trending topic on social media for the entire day of the release and the following morning.
The Fraser Institute’s net assets position as at December 31, 2016 was $1,456,598.
• Gross revenues for 2016 amounted to $10,803,866.
• Gross expenses for 2016 amounted to $10,795,192.
• The decrease in net assets from operations was $54,113 for the year.

The Fraser Institute’s financial position and operating results for 2016 are as follows:

**Statement of Financial Position**
– summary as at December 31, 2016

<table>
<thead>
<tr>
<th>Current assets</th>
<th>$5,954,003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>$779,744</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>$276,898</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,010,645</strong></td>
</tr>
</tbody>
</table>

| Liabilities – current and long term | $5,554,047 |
| Net assets                        | $1,465,598 |
| **Total**                         | **$7,010,645** |

**Statement of Operations**
– summary for the year ended December 31, 2016

**Revenues**
Donations, sales of publications, interest and other income $10,803,866

**Expenses**
Salaries, office costs, projects, publications, contributions, and other expenses $(10,795,192)

Foreign exchange loss and increase in fair value of investments, net $(62,787)

**Decrease in net assets from Operations** $(54,113)
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