

CANADA'S MOST INFLUENTIAL THINK TANK

HIGH-QUALITY, TIMELY RESEARCH, INNOVATIVE OUTREACH



UNIVERSITY OF PENNSYLVANIA SURVEY
RANKS FRASER INSTITUTE

TOP THINK TANK IN CANADA, 21ST WORLDWIDE!

Being recognized as one of the top 25 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

7TH
IN THE WORLD
FOR DOMESTIC
HEALTH
POLICY RESEARCH

8TH
IN THE WORLD
FOR GLOBAL
HEALTH
POLICY RESEARCH

8TH
BEST USE
OF THE INTERNET
IN THE WORLD

10TH
IN THE WORLD
FOR EXTERNAL
RELATIONS

11TH
BEST INDEPENDENT
THINK TANK
IN THE WORLD

13TH
FOR BEST USE
OF SOCIAL
NETWORKS

16TH
IN THE WORLD
FOR MOST
INNOVATIVE
POLICY PROPOSALS

21ST
OVERALL AMONG
7,815 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 an external expert, 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 2017, 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 2016. 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.

Message from the Chairman and the President

Canada faces serious economic challenges and 2018 is shaping up to be one of the most important years in the Institute's history. As our research has shown, business investment in Canada ranks second-lowest among advanced economies. Since peaking in 2014, every category of business investment in Canada has declined and Statistics Canada's recent survey of the investment intentions of private businesses shows that further declines in 2018 are expected. Private-sector investment by foreigners has also collapsed with foreign direct investment (FDI) in Canada dropping 56.0 percent since 2013. As a result, forecasters are predicting weak economic growth in the years ahead.

Canadians appear to have been lulled into a sense of complacency about the country's reduced economic competitiveness. Actions by our federal government and many provincial governments have contributed greatly to the decline. These measures include the federal push for carbon taxes, increased and now uncompetitive business and personal taxes, imprudent fiscal management, a more burdensome regulatory environment, and a new approval process for major energy projects that will be even harder and costlier to navigate than before, to name but a few.

Crucially, these measures are being introduced at a time when the United States has made itself significantly more attractive to investment, entrepreneurs, and professionals through a series of policies, including sweeping tax reform, that further emphasize the policy missteps Canada has made.

Given these troubling developments, the Institute's independent research and public education is needed now more than ever. Indeed, now is the time to push back even harder against poor policies and create a real understanding of the decisions that Canada must take to change course.

As you read through this annual report, we are certain you will agree that 2017 was a tremendous year for the Institute, that we have improved public understanding of policy issues, and that our team has never been better equipped to meet the challenges that will present themselves in the years ahead.

The quality of our research and its tremendous impact were recently recognized by the University of Pennsylvania's *Global Go-To Think Tanks Report*, which ranked the Fraser Institute as the most influential think tank in Canada (out of 100), for the 10th year in a row.

Among independent think tanks, which the University of Pennsylvania report defines as having independence from any one interest group or donor and being autonomous in its operation and funding from government, the Fraser Institute ranks 11th best worldwide (out of over 7,800 policy organizations).

We take great pride in our independence, so it is wonderful news to be recognized in this fashion.

In 2017, the Institute published a total of 85 studies that addressed some 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 intent is to reach the greatest audience possible, ensuring our work gets widespread coverage in the media remains one of our most important goals. Due to the combined efforts of all of our staff and departments, the Institute's research continued to reach an ever-growing number of Canadians through multiple channels: print, radio, television, social media, and news websites. We generated over 41,000 media stories in 2017, which translates into

our work featuring in an average of 100 news stories per day. In addition, we published nearly 1,400 commentaries in Canadian newspapers, an average of 4 per day.

The Institute continued to enhance its digital communications in 2017. We produced 80 highly visual and sharable infographics which, thanks to their promotion through social media, were viewed by over 5.4 million people.

Our websites received 4.3 million unique visitors in 2017. The year began with the launch of our new economic freedom portal (www.fraserinstitute.org/economic-freedom), which received rave reviews from around the world for its sharp look, simplicity, and functionality. The portal includes an interactive world map that allows users to download, graph, compare, and share economic freedom data tailored to their specific interests.

Thanks to the new site and our Economic Freedom of the World index, the Institute's work is more important than ever internationally. Working with independent institutes in nearly 100 countries and territories, the Fraser Institute continues to demonstrate the vital importance of economic freedom in encouraging prosperity and general well-being.

We are also pleased to report that in 2017 the Institute expanded its efforts to reach students, teachers, and journalists through our education programs. All told, we ran a total of 33 education programs (up from 29 in 2016), which reached over 35,000 students, 360 teachers, and 75 journalists in 2017.

Despite our success, real challenges lie ahead. You can count on the Fraser Institute to be diligent in continuing 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 to all our loyal and generous supporters. We hope our efforts warrant your continued support in 2018. And if you haven't already done so, please consider joining our important efforts.



Peter M. Brown
Chairman



Niels Veldhuis
President



No Other Canadian Think Tank Generates as Much Media, Web, and Social Media Attention



41,405

MEDIA MENTIONS IN NEWSPAPERS, TV, RADIO AND ONLINE

UP **129%** IN 5 YEARS



1,398

COMMENTARIES PUBLISHED

PLACEMENT IN MAJOR DAILIES UP **70%** IN 5 YEARS



5.4 MILLION

PEOPLE REACHED BY OUR INFOGRAPHICS AND VIDEOS
ON FACEBOOK ALONE



4.2 MILLION

UNIQUE VISITORS TO ALL FRASER INSTITUTE WEBSITES
UP **73%** IN 5 YEARS



47,344

FACEBOOK AND TWITTER FOLLOWERS



24,289
FOLLOWERS



23,055
LIKES

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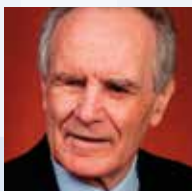
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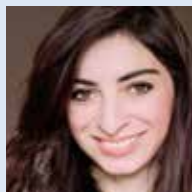
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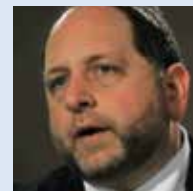
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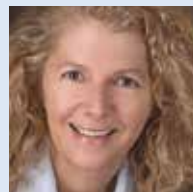
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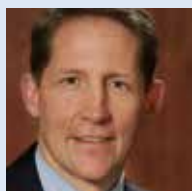
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in Recognition of T. Patrick Boyle and Michael A. Walker

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.



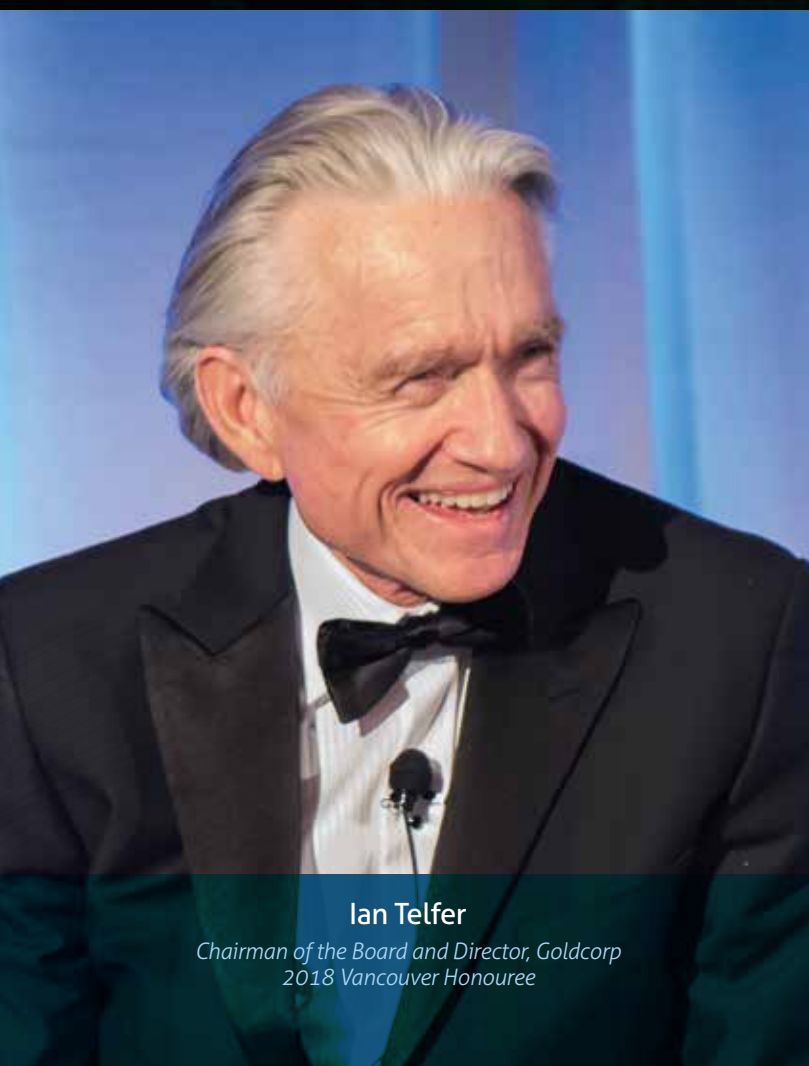
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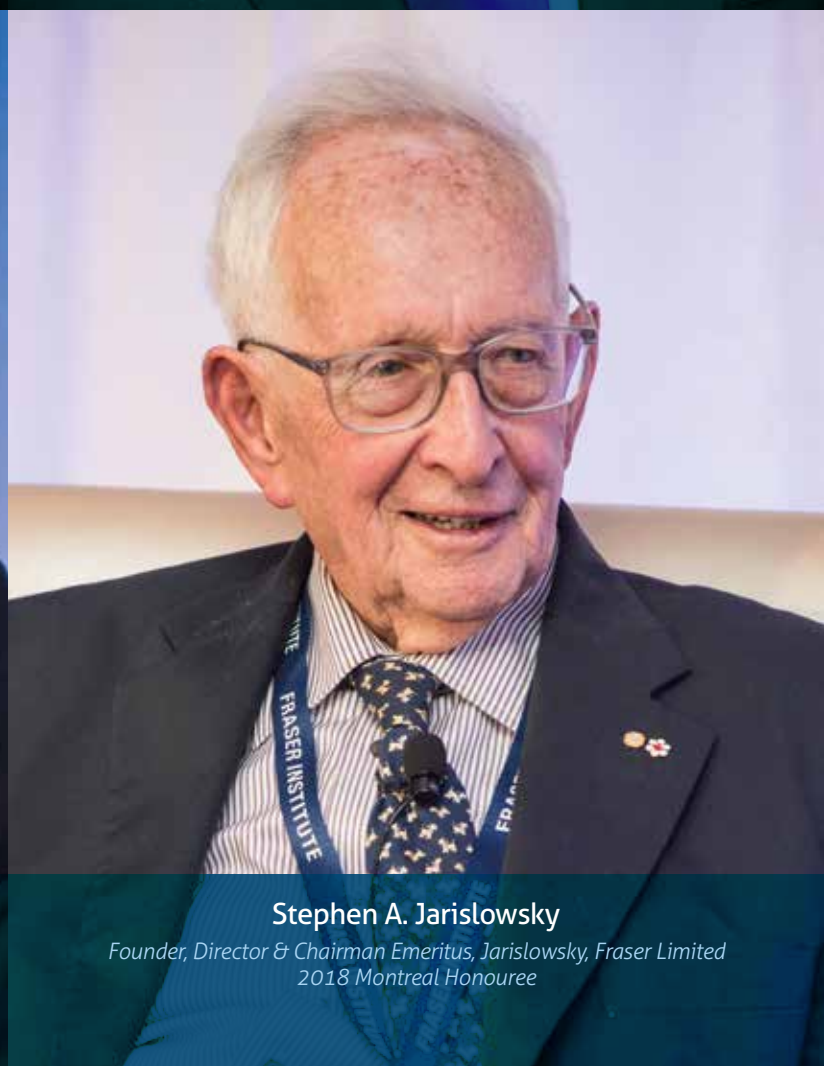
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FRASER INSTITUTE FOUNDERS AWARDS 2017



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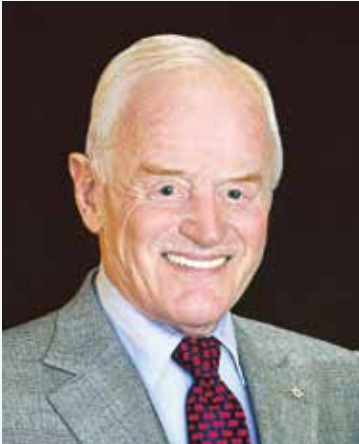
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PETER MUNK

1927 – 2018



We were deeply saddened by the passing of Peter Munk on March 28, 2018 – a Canadian business icon, leading citizen, serial and creative entrepreneur, generous philanthropist and a great friend of the Fraser Institute.

Mr. Munk embodied the Canadian dream. His family came to Canada via Switzerland after fleeing Nazi persecution. Like so many immigrants who have contributed to Canada's national fabric, Peter Munk never took our geography, values and rule of law for granted. He believed Canada provided him the opportunity to not only dream, but more importantly, to pursue his aspirations. In turn, he became an inspiration to young entrepreneurs and new Canadian citizens nationwide.

Mr. Munk continuously gave back to Canada through the opportunities and wealth he created for hundreds of thousands of Canadians through the founding and building of Barrick Gold Corporation, which he grew into one of Canada's most respected companies. He shared his success with Canada through generous philanthropic activities, including significant contributions to support world-class education, improve health care facilities and advance public policy.

Among his many awards and titles, including the Companion of the Order of Canada, we were honoured to award Mr. Munk with The Fraser Institute's Founders' Award in 2010, which is presented annually to individuals for their outstanding entrepreneurship, dedication to free-enterprise and generous philanthropy.

In 2016, Mr. Munk donated \$5 million to launch The Peter Munk Centre for Free Enterprise Education at the Fraser Institute, which allowed us to greatly expand our education programs in Central Canada, impacting thousands of future opinion leaders who will go on to occupy key roles in business, law, journalism, politics and academia.

In the first year and a half of its operations, The Peter Munk Centre held 20 education programs and influenced over 26,000 high school and university students, teachers, and journalists.

Mr. Munk once said, "As a Canadian for whom citizenship was not a birthright but a gift of happenstance, I am grateful for the opportunities that have been given me by this great country".

We here at the Fraser Institute will forever be grateful to Mr. Munk for his support and gift to the Fraser Institute, which will have a lasting, profound impact on Canada, and which will help to protect and ensure it remains a country of opportunity for all.

We will continue to hold Peter Munk in the highest esteem and we are honoured to preserve his legacy in educating Canadians about the power and benefits of free-enterprise.

Peter M. Brown, *Chairman*

Niels Veldhuis, *President*

THE FRASER INSTITUTE

Peter Munk Centre for Free Enterprise Education

2017 was an incredible year for the Peter Munk Centre for Free Enterprise Education. Building from the success of our first year, the Centre held twelve education programs including high school, post-secondary, and journalism programs, as well as teacher workshops and internships. All told, the Peter Munk Centre influenced over 18,500 high school and university students, teachers, and journalists in 2017.

JOURNALISM PROGRAM

The Peter Munk Centre's Journalism Programs continue to be among its most impactful initiatives. Journalists were instructed on the basics of economics, the importance of free enterprise and the power of economic freedom over the course of three days.

Seventy-four new and seasoned producers, reporters, feature writers and editors participated in three programs (two in Toronto and one in Vancouver). Participants came from across the country and across different media

mediums including from the Toronto Sun, Globe and Mail, Financial Post, National Post, Calgary Herald, CBC News, Global News, TVO, iPolitics.ca, l'Actualité, and Rogers Media.

Overall, the feedback from journalists has been tremendous with 98.6% either strongly agreeing or agreeing that the program will be useful in their careers.

HIGH SCHOOL TEACHER WORKSHOPS

One hundred and thirty-eight teachers participated in four teacher workshops held in Ontario in 2017. The topics included *Myths of the Canadian Economy*, *An Introduction to Economic Principles*, *Issues of International Trade*, and, for the first time, *Sport Economics*. The latter workshop teaches basic economic concepts using sports. Now armed with better techniques for explaining economics, the teachers attending these workshops will reach some 12,420 students annually.

This course...made me a better journalist

– Journalism program participant



A Student raises her hand to pose a question during the Student Leader's Colloquium

HIGH SCHOOL STUDENT PROGRAMS

Perhaps the biggest highlight of the year for the Peter Munk Centre was the two high school seminars, which were filled within 24 hours of being announced and which drew three times as many applicants as there were spaces available (822 students were on the waiting list). Over 400 students representing 21 different high schools came to *Why Do People Behave the Way They Do?* An Introduction to Economic Reasoning. The program helps students apply economics to their daily lives, and in doing so, provides them with a basic understanding of economics.

Our students were taken out of their regular everyday environment, exposed to a new type of questioning and given opportunity to think about why things are the way they are. This opportunity is priceless and will have an effect in the future when making choices.

– A teacher who brought their high school students to the Toronto program

UNIVERSITY AND COLLEGE SEMINARS

Seminars targeted to university students were held in Toronto, Montreal, and Ottawa – which were attended by over 230 students. Each seminar consists of a series of short presentations by experts on specific policy issues, followed by a general question-and-answer session and moderated discussion groups. Seminars are enlightening for the participants, most of whom have not been exposed to market-oriented views.



High school students making hats in an activity that demonstrates different economic systems



During a break, students take the opportunity to talk to Greg Ip following his presentation on Why Safety Can Be Dangerous and How Danger Makes Us Safe



Teachers simulate fishing in the "ocean", an activity that illustrates the concept of the Tragedy of the Commons

Seminar speakers included Greg Ip, Chief Economics Commentator with the *Wall Street Journal*, who introduced students to the implications of overregulation, Dr. Brett Belchetz, who spoke on the need to rethink the Canada Health Act, William Luther, Assistant Professor of Economics at Kenyon College, who spoke on the rise of Bitcoin and other cryptocurrencies, and Liya Palaghashvili, Assistant Professor of Economics at State University of New York, on how economic freedom creates a favourable climate for entrepreneurs.

PETER MUNK INTERNSHIPS

Peter Munk Internships are a unique opportunity for exceptional university students to be paired with Fraser Institute senior staff to make a tangible contribution to the Institute's work. In 2017, four students received Peter Munk Internships, chosen from 110 applications. Beyond their specific work, interns participate in monthly reading discussions with Fraser Institute researchers to bolster their understanding of economics.

The speakers presented on information that I had never engaged with before. I'm leaving this seminar as a more informed Canadian.

– A Toronto post secondary seminar participant

STUDENT LEADERS COLLOQUIUM

The Student Leaders Colloquium, an advanced program for students who display a true passion for government policy and markets, and who the Institute believes to be most likely to occupy leadership roles in the future, was held at the Institute's Vancouver office. Seventeen students from five different provinces and 15 disciplines were selected for two days of rigorous policy discussions ranging from energy and human prosperity to housing.

The program was packed with insightful materials and stimulating discussions.

– Student Leaders Colloquium participant

Education Programs

The Fraser Institute began running seminars for university students in 1988 and over the years we have added a number of new programs, which give students, teachers, and journalists opportunities 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 forum to learn about and discuss economics and public policy from a market perspective. Generous support from individuals, businesses, and foundations, in particular Peter Munk and the Lotte & John Hecht Memorial Foundation, provides the funding for these programs.

The Centre for Education Programs and the new Peter Munk Centre for Free Enterprise Education offered a wide range of programs that influenced over 49,000 high school and university students, teachers, and journalists in 2017.

POST-SECONDARY SEMINARS

University and college students took part in eight 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.

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 Canada speakers and topics varied: Trevor Tombe, assistant

What an amazing way to spend my Saturday. Great conversation. Very relevant and academic discussion. Inspiring students [with whom to] pursue these topics.

– Student at Calgary Seminar



Teachers in Edmonton make “fluffernutter,” an activity that shows how specialization and division of labour can lead to more efficient outcomes.

professor at the University of Calgary, spoke about the hidden trade costs within Canada that harm our economy; Malcolm Lavoie from the University of Alberta discussed Hayek, the rule of law and the duty to consult Aboriginal peoples; Yves Tiberghien, associate professor of political science, University of British Columbia, discussed Canada-China relations and suggestions for policy improvements; Leslie Wickman, executive director, American Scientific Affiliation, had students thinking about challenges in the opening arctic; and our own Ben Eisen, director of provincial prosperity studies, walked participants through Alberta's tax advantage.

HIGH SCHOOL SEMINARS

Over 1,800 high schools students from British Columbia and Ontario participated in our one-day programs where they were taught the fundamental principles of economics and learned how to think critically about the decisions they make today, the consequences of their actions in the future, and how their behaviour influences the world around them.

The combination of our award-winning economic educators and the interactive learning environment where we use short lectures, games, videos, and activities to relate basic economic

principles to real-life examples, continue to make this program popular at the junior and senior high school levels. So popular, in fact, that almost 1,300 students were on the wait list for this year's programs.

This was my first time attending [a high school seminar] and I was very impressed. It was very organized and professional and filled with great activities. Speakers were great also!

– Teacher, Vancouver

STUDENT ESSAY CONTEST

A full 180 students entered the student essay contest to argue their position on "Regulating the sharing economy: do the costs outweigh the benefits?".



During all of our post-secondary seminars, students are encouraged to pose questions to the speakers. Pictured is a student at the Saskatoon seminar.



High school students participating in our seminars explore different types of economic systems, in this case by taking part in a hat-making exercise.

CANADIAN STUDENT REVIEW

Canadian Student Review is our online quarterly magazine distributed to over 13,800 students annually. Written specifically for students, this unique publication includes a wide range of thought-provoking issues, new research from the Institute, topical book reviews, and information on event and job opportunities for students.

TEACHER WORKSHOPS

Our teacher workshops appeal to a wide range of educators. Some are new to teaching economics, while others are looking for new activities and resources to enhance their existing lesson plans. We provide them with tools to help them make economics fun and relatable to their students. Through interactive lessons that use real-life examples, teachers can incorporate the economic concepts into a variety of curricula. At each workshop, teachers are guided through the presentations by economics experts, actively participate in classroom activities, and take home a wealth of resources, including detailed lesson plans, activities, and readings. This year we held 10 workshops in British Columbia, Ontario, and

Alberta that were attended by 260 high school teachers. The impact of these workshops is significant when you consider that, conservatively, these teachers together teach 23,400 students annually.

23,400

**STUDENTS INFLUENCED THROUGH
10 TEACHER WORKSHOPS
ATTENDED BY 260 TEACHERS**

EDUKITS

Edukits are the perfect format for getting economic materials out to teachers, particularly those in remote locations who find it difficult or impossible to travel to our high school and junior high school seminars or teacher workshops. While common for other subjects, no economics edukits have existed in Canada until now. These kits consist of a box filled with a selection of lesson plans, reading materials, videos, and activities. Moreover, all the supplies necessary to teach the various lessons and activities are included, which is critical for getting busy teachers to adopt the materials.

One-hundred edukits were distributed across Canada in 2017, with 200 teachers on the wait list. The reviews of the materials from the teachers has been overwhelmingly positive.

49,000

**STUDENTS, TEACHERS
AND JOURNALISTS
ENGAGED THROUGH
32 EDUCATION PROGRAMS**

Economic Freedom

The cornerstone of the Institute's international work continues to be the Economic Freedom initiative, led by Fred McMahon, our Michael A. Walker Chair in Economic Freedom. The initiative includes publication and education activities around the world, supported by our International Economic Freedom Network of 116 independent organizations from 95 countries and territories, and our growing regional networks. Many of our partners are leading think tanks in their own right—15 of them were ranked in the top 175 think tanks in the world in 2017, and 42 ranked among the top think tanks in their respective regions.

Our *Economic Freedom of the World Annual Report* is the favoured 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 2017 edition included special chapters on “Adjusting for Gender Disparity in Economic Freedom” and “Economic Freedom, Social Protections, and Electoral Support for Anti-Immigrant Populist Parties in 27 Industrial Democracies”.

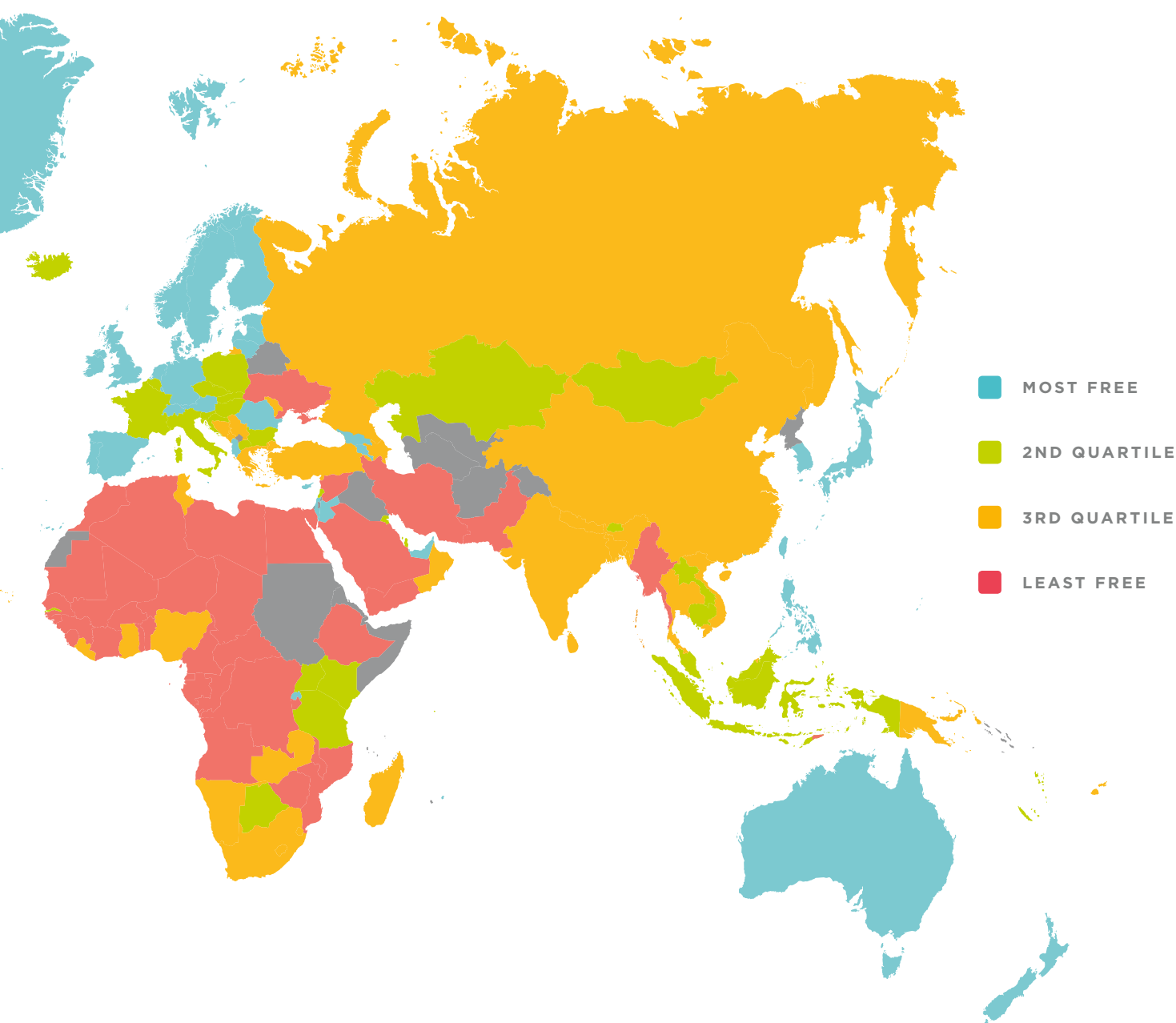
The Institute also publishes annual reports on economic freedom in the Arab world and in North America, the latter of which is distributed with the help of our 42 network partners from 36 US states and Mexico. As well, we co-publish an annual *Human Freedom Index* with the Cato Institute. In 2017, the Institute's economic freedom research was cited a record 669



times in academic and other professional research. Our work is also of broad public interest, and generated 1,914 media mentions from around the world over the course of the year. As in every year, numerous translations were authorized in 2017, including into Bulgarian, Slovenian, Spanish, and Ukrainian.

Our dedicated economic freedom web portal, at www.fraserinstitute.org/economic-freedom, features interactive maps for economic freedom of the world and in North America, from which users can download and share custom data (over 55,000 datasets in 2017).

Five economic freedom audits were held in 2017, in Iran, Sri Lanka, Tunisia, Turkey, and Ukraine. 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.



Tax and Fiscal Policy

Understanding the costs and benefits of government decisions starts with its plans for taxing and spending. The Centre for Tax and Fiscal Policy, led by its 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 policy analyst Hugh MacIntyre and a group of distinguished senior fellows and contract researchers.

In 2017, the centre published 21 studies, 85 original newspaper columns, nearly 90 blogs, and generated over 6,700 media mentions, the equivalent of some 18 media spots per day. The infographics and videos produced to augment

this work reached over **2.5 million** people on social media. In addition, the centre's team was invited to speak before House of Commons, Finance, and Senate committees on seven separate occasions on a range of topics including small business taxation, infrastructure, labour, and federal finances.

ANOTHER SUCCESSFUL YEAR FOR THE CENTRE'S MAIN PROJECTS

At its core, the centre helps 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 2017, that day fell on June 9th. The release received tremendous media coverage, including the front page of the *Toronto Sun*, coverage across Canada on television (CBC, CTV, and CP24) and radio, while the video, supporting graphics, and online tool reached over **461,079** people on social media.





A related study, our annual Canadian Consumer Tax Index, measures the growing tax burden over time. The 2017 edition found that the average Canadian family now spends 42.5 percent of its income on all taxes, compared to 37.4 percent for the basic necessities of life including food, housing, and clothing combined. The findings resulted in over 500 news stories in Canada and video, infographic, and other promotional material summarizing the study reached **679,174** people on social media alone.

A BANNER YEAR FOR HOLDING GOVERNMENTS TO ACCOUNT

The centre prides itself on analyzing whether governments are delivering on their commitments, and by that measure, 2017 was a banner year for us. For instance, our study *Measuring the Impact of Federal Personal Income Tax Changes on Middle Income Canadian Families* found that, although reducing taxes for middle class families was a key part of the federal government's 2015 election campaign, the reality is that 81 percent of middle income families are paying more in taxes when all the federal income tax changes are accounted for—on average, \$840 more per year. This study garnered 550 media mentions, including on the front page of the *National Post*, and reached over **203,174** people on social media and had over 14,000 visitors to our interactive web page. The findings, along with subsequent research highlighting that 60 percent of lower income families are paying higher taxes, heavily influenced the policy debate around the impact of the federal government's income tax changes.



The findings were debated in the House of Commons and referred to 64 times by 26 different Members of Parliament.

The federal government has raised **income taxes** on **81%** of middle-class families in Canada



In *Myths of Infrastructure Spending in Canada*, the centre dissected the federal government's \$100 billion infrastructure spending plans, dispelling five common myths that it has used to argue for large, multi-year "investments." For instance, the federal government often claims that its infrastructure spending will spur economic growth. While some infrastructure projects can improve the economy's productive capacity through more efficient trade and transportation networks, not all public infrastructure spending fits this bill. In fact, just 10.6 percent of the federal government's planned infrastructure spending is for core trade and transportation infrastructure (roads, bridges, ports, etc.). This finding transformed how the public and many analysts perceive Ottawa's infrastructure claims.

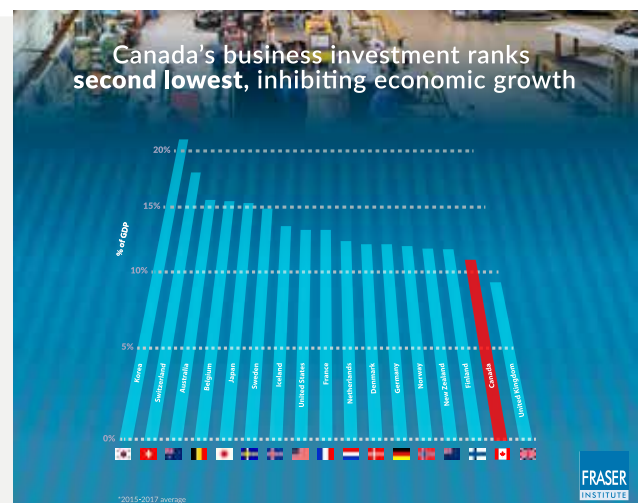
Examining the Revenue Neutrality of British Columbia's Carbon Tax revealed the failure of BC's government to deliver on its commitment to make the province's carbon tax revenue neutral. It found the carbon tax ceased being revenue neutral in 2013/14 and was on track to result in a cumulative \$865 million tax increase on British Columbians between 2013/14 and 2018/19. The study generated over 800 media stories across the country and ultimately resulted in the BC government taking corrective steps to ensure revenue neutrality. This research exposed the sobering reality that BC's much-vaunted carbon tax reform is not the gold standard proponents in Canada and around the world had made it out to be.

TACKLING THE MOST IMPORTANT ECONOMIC ISSUES OF THE DAY

The centre is a leading voice on the biggest economic issues of the day. For instance, declining business investment, which is a signal that entrepreneurs, investors, and business owners don't see Canada as a hospitable place to do business, remains a critical concern for the country. In his study for the Institute, *Business Investment in Canada Falls Far Behind Other Industrialized Countries*, Philip Cross, former chief economic analyst at Statistics Canada, found that the nation's level of business investment has fallen by 18 percent since 2014 and is now second lowest (as a share of GDP) among 17 advanced economies.

In 2017, the centre was also at the forefront of the debate about increasing household debt. Prof. Livio Di Matteo pointed out in *Household Debt and Government Debt in Canada* that concerns over household debt are overblown since they do not take into account the financial assets (real estate, pensions, financial investments, etc.) that households have accumulated over time. The release of the study sparked over 300 media mentions.

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CONTINUING IMPORTANT WORK ON LABOUR POLICY

As several provinces pursued more stringent labour regulations and took steps to raise the minimum wage, centre staff redoubled their efforts to explain how such actions tend to reduce worker opportunities and do little to nothing to help the working poor. Centre staff executed a series of 13 high profile commentaries on the issue that appeared across the country, including in major outlets such as the *Financial Post*, *Globe and Mail*, *Toronto Sun*, *Calgary Herald*, and *Vancouver Sun*.

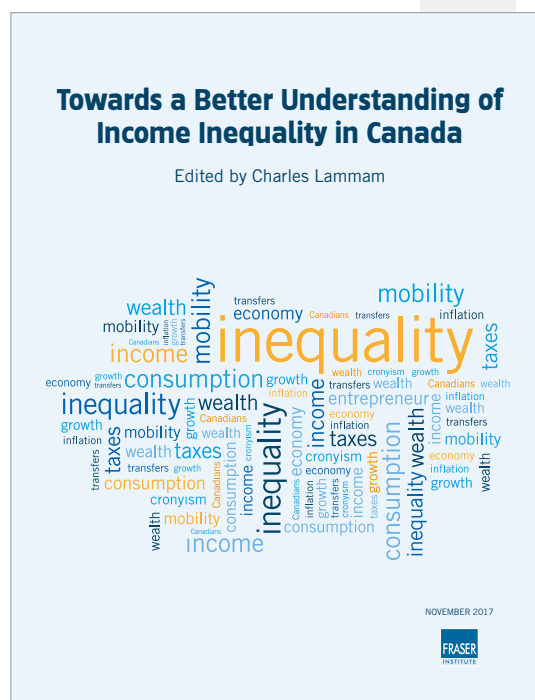
In 2017, the centre also compared the latest estimates of wages and benefits enjoyed by government workers versus their private sector counterparts in similar positions. *Comparing Government and Private Sector Compensation in Canada* found that government sector workers (federal, provincial, and local) enjoy a 10.6 percent wage premium—this is after accounting for differences in gender, work experience, type of job, occupation, and more—while also enjoying much more generous non-wage benefits such as pension coverage, job security, early retirement, and time off. As governments seek to better manage their expenditures, bringing the pay of government employees more into line with private sector norms could save substantial taxpayer money.

In *Measuring Labour Markets in Canada and the United States*, the centre's researchers measured outcomes in the labour market (employment, unemployment, and worker productivity). This study found that Canadian provincial labour markets from 2014 to 2016 generally performed poorly compared to those of US states. In fact, all but two Canadian provinces (British Columbia and Saskatchewan) are in the bottom half of 60 Canadian and US jurisdictions, including the traditional economic engines of Canada: Alberta (ranked 31st) and Ontario (44th).

NEW BOOK CLARIFIES MISUNDERSTANDINGS ABOUT INCOME INEQUALITY

Finally, in 2017 the centre published a book that helps correct the record on inequality and economic progress. *Towards a Better Understanding of Income Inequality* brings together the work of various scholars. It shows that inequality is much more complicated than it first seems, starting with the complexities of accurately measuring it. It goes on to point out that the

source of income and wealth inequality matters—whether it is largely merit-based, as it is in Canada, or whether it comes from government cronyism or corruption. One of the book's critical insights is that the vast majority of Canadians improve their economic standing over time. 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.



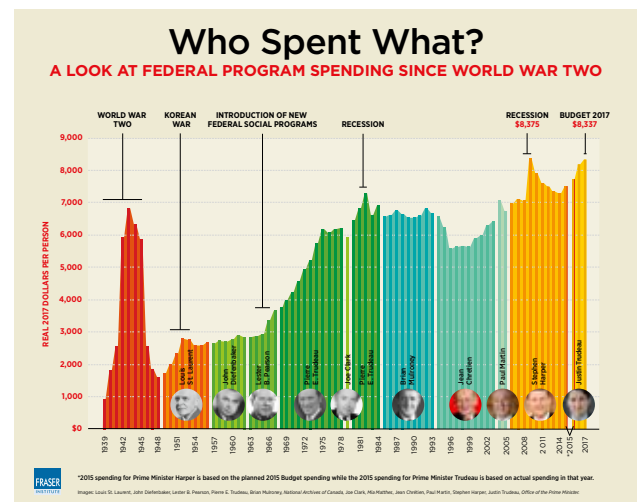
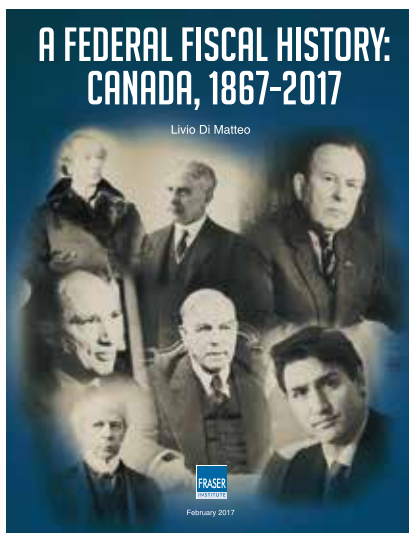
2017 – A YEAR OF HISTORICAL MILESTONES FOR CANADA

150TH ANNIVERSARY OF CONFEDERATION

As 2017 marked the 150th anniversary of Confederation, the centre used this opportunity to educate Canadians about the nation's history of spending, taxes, and debt. The first study in the series was *A Federal Fiscal History: Canada, 1867-2017* by Lakehead University economist and Fraser Institute senior fellow Prof. Livio Di Matteo.

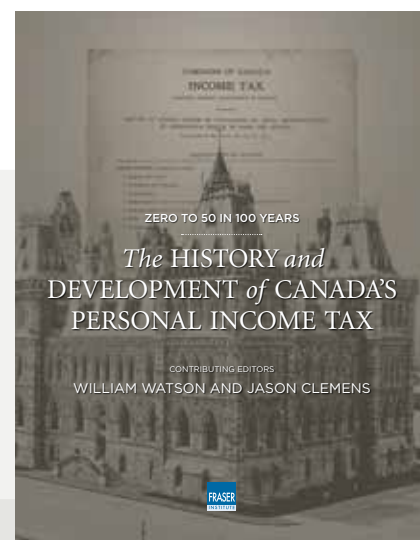
Subsequent studies in the series compared the records of Canadian prime ministers on their spending levels and debt

accumulation. For instance, *Prime Ministers and Government Spending: A Retrospective* found that the current administration spends more per capita than any other administration has outside of a recession. This study was covered by major media outlets such as CTV News, the *Globe and Mail* and the *National Post*, among many others. *An Analysis of Federal Debt in Canada by Prime Ministers since Confederation* found that the current administration is set to increase federal debt per person by more than any other (outside of a global conflict or economic downturn).



100TH ANNIVERSARY OF FEDERAL PERSONAL INCOME TAXES

2017 also marked the 100th anniversary of the federal personal income tax system in Canada. *The History and Development of Canada's Personal Income Tax: Zero to 50 in 100 Years*, a collection of essays co-edited by McGill University economist Prof. William Watson and Jason Clemens looked at the evolution of the personal income tax since its wartime introduction in 1917.



The personal income tax which began as a small war time revenue generator has morphed into a costly, complex behemoth that makes Canada very uncompetitive

Aboriginal Policy Studies

The Centre for Aboriginal Policy Studies continues to be led by Fraser Institute senior fellow and professor emeritus of the University of Calgary, Tom Flanagan. In 2017, the centre produced a number of publications on significant issues vital to Aboriginal well-being in Canada.

The centre continued to analyze spending on Aboriginals in *Bending the Curve: Recent Developments in Government Spending on First Nations*. The paper found that the growth in spending by Indigenous Affairs and Northern Development (INAC) had slowed compared to the previous 40-year period. Critically, however, the paper identified that the reduction in spending per Aboriginal person was not the result of declines in spending *per se*, but rather, the rapid increase in the number of eligible recipients. Indeed, two subsequent 2017 papers explored the legal changes in the definition of First Nations and Metis peoples. *Bending the Curve* reiterated that many of the problems observed in Aboriginal communities have very little to do with a lack of government-provided financial resources.

The first of two papers looking at the changing definition of First Nations people examined the Métis. The study, *The Debate about Métis Aboriginal Rights—Demography, Geography, and History* found that the Métis population has grown explosively, from 178,000 in 1991 to 418,000 in 2011. Most of this growth is not from a natural increase, but from people adopting new labels for themselves when they answer Census questions.

The second paper on this topic, *Incentives, Identity, and the Growth of Canada's Indigenous Population*, examined the growth in Canada's Indigenous population. The paper found that over the 25 years from 1986 to 2011, the Indigenous population grew from 373,265 to 1,400,685, an increase of 275 percent, while the population of Canada increased by only 32 percent in the same period. Although Canada's Indigenous peoples have higher birth rates than other

Canadian groups, the paper concluded that most of the increase resulted from individuals changing the identity labels they apply to themselves.

In addition to senior fellow Tom Flanagan's own work, the centre also published an innovative legal analysis of the *Tsilhqot'in* decision by University of Saskatchewan law professor Dwight Newman. Professor Newman developed an innovative framework for analyzing the uncertainties created by this legal decision.

The final study published in 2017 was *Custom Election Codes for First Nations: A Double-Edged Sword*, which examined custom systems that allow First Nations communities to design and adopt their own election code. Senior Fellow Joseph Quesnel called for sober second thoughts about implementing such systems based on a number of concerns about them.

The centre's work generated over 310 media mentions across the country across all media forms, both traditional and new media. The centre also published a number of high-profile columns, including several by Tom Flanagan that appeared in the *Globe and Mail*.



Natural Resource Policy

The Fraser Institute's Centre for Natural Resource Studies is centered on the idea that Canada, like other developed countries, is a transformation society. That is, all of Canada's goods and services use energy to transform other natural resources into useful things that enable Canadians to pursue a high quality lifestyle, and to achieve the life-goals they aspire to. As such, we believe that sound natural resource and environmental policy is critical to Canada's future, and the wealth of future generations.

The centre, led by senior director Kenneth Green, senior economist Elmira Alakbari, and policy analyst Ashley Stedman, studies and aims to educate Canadians about the impact that governmental rules and regulations on natural resources have on their lives, as well as the lives of their children and grandchildren. In 2017, the centre published 10 studies and

33 original newspaper commentaries, which generated 19,600 media mentions.

The Centre continued to lead the intellectual battle for mobilizing Canada's natural resources with its study, *Safety First: Intermodal Safety for Oil and Gas Transportation*. It found that transporting oil by pipelines is more than twice as safe as using rail, and marine tankers are safer still, with a markedly improved safety record over the past 40 years. The study received excellent coverage in the media with 265 news stories across Canada.

Another important study, *Poor Implementation Undermines Carbon Tax Efficiency in Canada*, found that the theoretical "textbook" benefits of carbon taxes and cap-and-trade schemes—that they can lower emissions and improve the economy at the same time—are negated by poor implementation. Many of these schemes are layered on top of others, instead of replacing existing regulations.



ELECTRICITY MARKETS

Another area of policy in which the Fraser Institute takes a keen interest is the affordability of abundant and reliable supplies of electricity. With our senior fellow Ross McKittrick (professor at the University of Guelph), we have led the way in documenting the disastrous electricity policies in Ontario that have sent prices skyrocketing and consumers reeling. Indeed, Ontario serves as a cautionary tale to other provinces that may want to implement the same, failed “green energy” policies.

In 2017, the centre published three high profile studies: *Rising Electricity Costs and Declining Employment in Ontario's Manufacturing Sector*, *Did the Coal Phase-out Reduce Ontario Air Pollution?*, and *Evaluating Electricity Price Growth in Ontario*. These studies together generated an outstanding 1,369 news stories across Canada.

IMPROVING INVESTMENT ATTRACTIVENESS

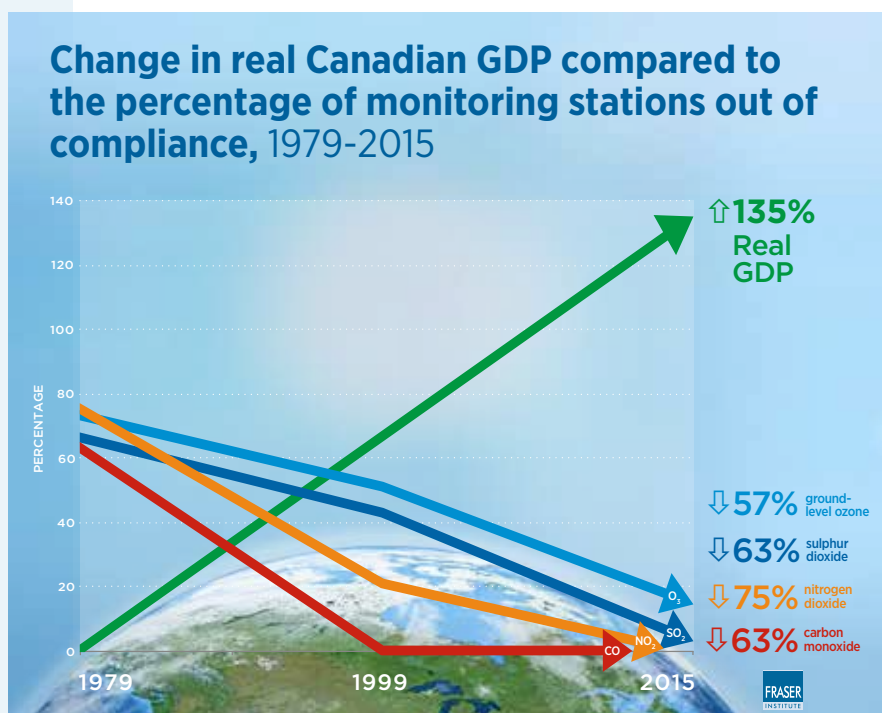
The centre published its two annual surveys that assess and rank jurisdictions around the world on their attractiveness to investment in mining and oil and gas: the *Annual Survey of Mining Companies* and the *Global Petroleum Survey*. In 2017, Saskatchewan was ranked the world's second most attractive jurisdiction for mining investment with Quebec 6th overall. British Columbia (20th) and Alberta (49th) both continue to receive low marks from investors for regulatory uncertainty

and concerns regarding disputed land claims. That same trend continued for oil and gas investment with British Columbia now ranking as the least attractive Canadian province for oil and gas investment—followed by Alberta.

Both of these surveys are used by 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 others. Our mining survey alone was mentioned more than 16,000 times in media outlets around the world in 2017 and is showcased by numerous national delegations at the world's largest mining conference, PDAC.

ENVIRONMENT

Every year, various groups criticize Canada's environmental performance in an effort to shame Canadians into taking on ever more onerous environmental regulations. In 2017, the centre produced an important new study by Elmira Alakbari and Ross McKittrick, *Canada's Air Quality Since 1970: An Environmental Success Story*, which found that Canada's air quality has dramatically improved over the past four decades despite significant population and economic growth and increased energy usage. In addition, Canada has achieved some of the strictest air quality targets in the world.



Centre for Health Care Studies

Canadians care deeply about their health care, which is why the Fraser Institute's Centre for Health Care Studies continues to measure its performance, highlight areas for improvement, and explore potential solutions from the experiences of more successful countries around the world.

HEALTH CARE

The Fraser Institute's annual *Waiting Your Turn* report provides the most comprehensive estimate of the wait times Canadians face for medically necessary treatment.

Unfortunately, the 2017 report had some bad news for patients: the median wait time in Canada crossed 21 weeks—the longest wait ever recorded in 27 years of publication—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 astonishing results of the 2017 edition of *Waiting Your Turn* prompted the Wall St. Journal to write an editorial warning about long wait times as a consequence of the single payer health-care model being advocated by Sen. Bernie Sanders in the United States. By the end of the year, the report garnered more than 500 media

mentions and was covered by almost every major print, radio, and television station across the country.

One possible consequence of long wait times is that patients may leave the country to obtain non-emergency medical care. Our 2017 study *Leaving Canada for Medical Care* estimated that more than 63,000 patients did exactly that in the past year. This report also received much media attention, garnering over 500 media mentions by outlets like the CBC, *Montreal Gazette*, and *Financial Post*, 111 radio segments, and prominent television coverage (mentioned in 70 stories) from coast to coast.

The astonishing results of the 2017 edition of *Waiting Your Turn* prompted the Wall St. Journal to write an editorial warning about long wait times as a consequence of the single payer health-care model being advocated by Sen. Bernie Sanders in the United States.

Two other health care reports we publish regularly, *The Price of Public Health Care Insurance* and the *Private Cost of Public Queues for Medically Necessary Care* continued to attract interest from the media, average citizens, and policymakers in 2017. The former estimates the amount of money Canadian families pay for health care through the country's tax system, and reminds Canadians that health care in Canada is not free. The latter study estimates the cost to Canadians from lost income and productivity due to wait times for medical care. Both studies received well over 200 media mentions including prominent print, radio, and television coverage.

In 2017, the centre also updated its annual assessment of *The Sustainability of Health Care Spending in Canada*. The report concluded that in six provinces, projected health care expenditures in 2031 will represent a higher proportion of program spending than in 2016, potentially triggering higher taxes, larger deficits, reduced spending, or some combination of the three.





The centre also continued to focus on identifying countries that can offer Canada potential lessons for health care reform. *Comparing Performance of Universal Health Care Countries* looked at the costs and performance of 28 other countries with universal health care systems in order to better understand the problems with, and opportunities for reform, in Canada's health care system. The study examined 49 indicators and found that Canada ranks among the highest in terms of spending, but our performance ranks from modest to low. Notably, Canada ranks 25th out of 29 countries for the number of physicians, has the lowest availability of acute care beds (2.1 per 1,000 people), and is last or next-to-last for wait times amongst countries with comparable data.

PHARMACEUTICALS

In 2017, the centre continued to research and publish work on pharmaceutical innovation.

One study focused on the emerging area of biologics. These path-breaking medicines are already revolutionizing the pharmaceutical industry and have shown great promise in the treatment, diagnosis, and prevention of more than 250 diseases including a variety of cancers.

In anticipation of their increasing importance of biologics, the centre published *Intellectual Property Rights Protection and the Biopharmaceutical Industry: How Canada Measures Up*, which analyzed the weaknesses in Canadian legislation and how key elements of Canadian IP protection measure up against that of other nations. The study concludes that

Canada is a global outlier, providing inadequate intellectual property protection for the biopharmaceutical industry with potential implications for its profitability, productivity, and innovative future.

In the summer of 2017, when Canada's federal government began consultations to discuss proposed changes to the Patented Medicine Prices Review Board (PMPRB), the Institute was a leading voice educating Canadians about the potential impact of the changes to both the pharmaceutical industry and patients in need of innovative life-saving drugs. In addition to writing commentaries for newspapers on the expected changes, the centre also assisted Institute Senior Fellow Dr. Nigel Rawson, who submitted a formal, independent response to the board during the consultation process.

ALTERNATIVE MEDICINE

In 2017, the centre commissioned a new national survey to determine the prevalence, costs, and patterns of complementary and alternative medicine (CAM) in Canada. This third in a series of path-breaking surveys that began in 1997 is the only comprehensive study of the use and public attitudes towards CAM by Canadians. The survey revealed that more than three-quarters of Canadians (79 percent) had used at least one complementary or alternative therapy sometime in their lives in 2016, spending around \$8.8 billion on therapies like massage, chiropractic care, yoga, relaxation techniques, and acupuncture. The study received 285 mentions in media.

Ontario Prosperity Initiative

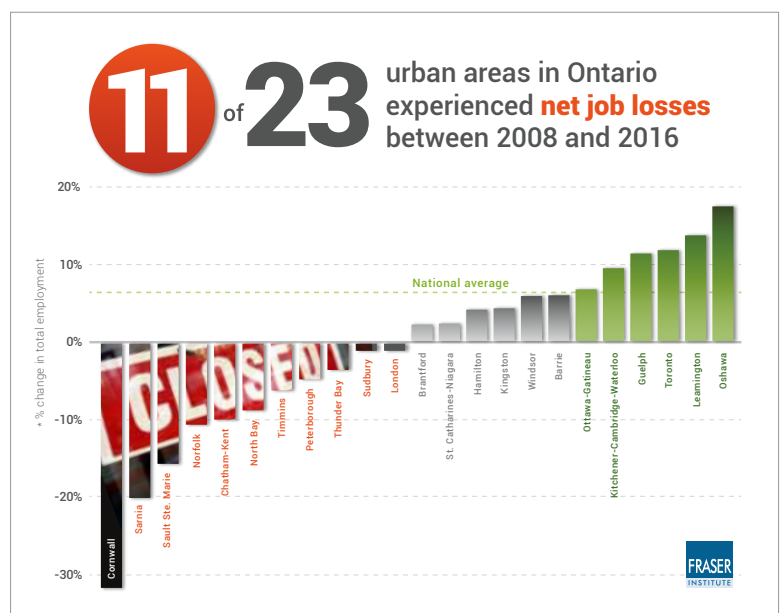
The Fraser Institute's Ontario Prosperity Initiative, located in our Toronto office, plays a crucial role in shaping policy discourse in Ontario by educating Ontarians about the problems with current government policies and providing a road map to help restore the province to its traditional position as an economic engine of the country.

Led by director Ben Eisen, the Ontario Prosperity Initiative produced extensive research, analysis, and commentary across a wide range of policy areas in 2017 including, fiscal and tax policy, energy policy and electricity costs, labour policy and the regulatory burden.

Mr. Eisen was in high demand for his opinions and perspectives on major economic and social issues, appearing frequently on radio and television programs across the province. He also writes a weekly column for the Toronto Sun and Ottawa Sun newspapers.



The Ontario Prosperity Initiative is supported by Fraser Institute Senior Fellows that are among the country's leading academics including Ross McKittrick, Professor of Economics, University of Guelph, Livio Di Matteo, Professor of Economics, Lakehead University, and Glenn Fox, Professor of Agricultural Economics and Business, University of Guelph.





In 2017 the Ontario Prosperity Initiative published 11 studies including:

- **Wishful Thinking:**
An Analysis of Ontario's Timeline for Shrinking Its Debt Burden
- **Uneven Recovery:** Much of Ontario Still Hasn't Fully Recovered from the 2008 Recession
- **Ontario's One Cylinder Economy:** Housing in Toronto and Weak Business Investment
- **Rising Electricity Costs and Declining Employment** in Ontario's Manufacturing Sector
- **Ontario Enters Uncharted Waters with \$15 Minimum Wage**

The Ontario Prosperity Initiative continue to play a central role in shaping policy discussions across the province. In 2017, the Ontario Prosperity Initiative reached millions of Ontarians through the nearly 3,000 news stories generated by our studies and commentaries. This includes coverage in the *Globe and Mail* and *National Post* and most regional newspapers in the province including widespread coverage in the *Sun* chain. Broadcast coverage regularly includes CTV news across the province (Thunder Bay, London, Windsor, Ottawa, etc.), CP24 in Toronto, Global TV affiliates in major cities across Ontario and the CBC. In addition, radio stations across the province in virtually every market regularly report Ontario Prosperity Initiative work including all of Toronto's major radio stations: Newstalk 1010, AM640 and NEWS680.

Policy-makers and politicians regularly made use of and even felt compelled to respond to our work in 2017, including provincial Finance Minister Charles Sousa.

The impact of the Ontario Prosperity Initiative however goes well beyond our media and online presence. While the Institute is completely non-partisan, policy-makers and politicians regularly made use of and even felt compelled to respond to our work in 2017, including provincial Finance Minister Charles Sousa.

One great example is our study *Wishful Thinking: An Analysis of Ontario's Timeline for Shrinking Its Debt Burden*. Here is what the government's own Financial Accountability Officer, Stephen LeClair, said about the Institute's study:

"We think that it's an issue that needs to be paid attention to. We see the value in the Fraser Institute raising this issue and see that what they've written in their report can be helpful to MPPs."

We are also regularly asked by policy-makers for our opinions on and analysis of policy. For example, in 2017 our team accepted invitations to provide detailed presentations to the Ontario government's pre-budget consultations as well as presentations to Ontario PC's subcommittee on the state of provincial finances.

Alberta Prosperity Initiative

Alberta has historically punched above its weight in Canada with a long history of strong economic growth, which has been integral to Canada's overall economic success.

Unfortunately, recent policy changes have undermined the province's economic growth and prospects for the future, including significant personal and corporate income tax increases, the expansion of a carbon tax that is not revenue neutral, the emergence of large budget deficits and growth-restricting regulatory changes and rapid increases to the minimum wage despite a harsh economic climate for business.

Against these headwinds, the Fraser Institute's *Alberta Prosperity Initiative*, housed in the Institute's Calgary office has been a clear, consistent and powerful voice in Alberta's policy discussions, educating Albertans about the damaging impact government policies are having on the provincial economy and the lives of Albertans.

Led by Steve Lafleur and Ben Eisen, the Alberta Prosperity Initiative produced extensive research, analysis, and commentary across a wide range of policy areas in 2017 including, fiscal and tax policy, energy policy, health care, education, labour policy and regulations.

In 2017 the Alberta Prosperity Initiative published 9 studies including:

- **Alberta's Budget Deficit: Why Spending is to Blame, 2017**
- **The End of the Alberta Tax Advantage**
- **A Friend in Need: Recognizing Alberta's Outsized Contribution to Confederation**
- **Race to the Bottom: Comparing the Recent Deficits of Alberta and Ontario**
- **Rae Days in Alberta: The Notley Government at Two Years**



A Friend in Need: Recognizing Alberta's Outsized Contribution to Confederation

The Alberta Prosperity Initiative continues to play a central role in shaping policy discussions across the province. In 2017, the *Alberta Prosperity Initiative* reached millions of Albertans through the over 1,000 news stories generated by our studies and commentaries. This includes coverage in leading newspapers such as the Calgary Herald, Edmonton Journal, and the Calgary and Edmonton Suns. Broadcast coverage regularly includes CBC Calgary and Edmonton, CityTV, and CTV news across Alberta. In addition, radio stations across the province in virtually every market regularly report our Alberta work.

The impact of the *Alberta Prosperity Initiative* however goes well beyond our media and online presence. While the Institute is completely non-partisan, policy-makers and politicians regularly make use of and feel compelled to respond to our work, including Finance Minister Joe Ceci, Alberta Premier Rachel Notley, and Leader of the Official Opposition Jason Kenney.

Overall, we have seen our studies and commentaries consistently shape public debate in Alberta, empowering policy-makers, journalists, industry executives and most importantly, average Albertans. In short, the Fraser Institute's Alberta office is the clearest, most consistent, and most effective voice for pro-growth public policy that can help restore Alberta's economy to health.

In 2017, the Alberta Prosperity Initiative reached millions of Albertans through the over 1,000 news stories generated by our studies and commentaries.



Quebec Prosperity Initiative and Outreach

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 three major province-specific studies in 2017.

The Report Card on Québec's Secondary Schools, an annual favourite in the province, ranked 455 public, private, francophone, and Anglophone schools based largely on results from province-wide tests. The report card generated 294 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.

Quebec's Daycare Program: A Flawed Policy Model found that while policymakers across Canada have eyed Quebec's subsidized daycare program as a potential model to follow, it has produced skyrocketing costs and worrying child development outcomes without eliminating wait times. Since the program's creation, spending per child has jumped over 100 percent—after adjusting for inflation. Because of rising costs, tens of thousands of children remained on wait lists for spots. This study received 242 media mentions in major media outlets across the country.

Another major study, *Comparing Government and Private Sector Compensation in Quebec*, found that government employees in Quebec receive over 9 percent higher wages, on average, than comparable workers in the private sector, and they enjoy more generous non-wage benefits, too (pensions, early retirement, and greater personal leave). The study, which received over 60 media mentions in Quebec, noted that as the government looks to better control spending, it is critically important that public sector compensation be scrutinized.

The Institute worked to make Québécois aware of the province-specific findings of some of our other studies.

Separate French-language provincial press releases and infographics were produced for selected studies including *Canada's Past Fiscal Leaders Are Now Fiscal Laggards: An Analysis of 2017 Provincial Budgets*, which concluded that Quebec has in the past been viewed as an example of unsuccessful fiscal management but in its 2017 budget took meaningful steps to address the challenges it faces.

Institute staff and senior fellows wrote numerous commentaries 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*. Overall, the Institute's research generated 860 mentions in Québec media alone in 2017.

The Institute held two major events in Montréal during 2017. In March, nearly 100 students attended our annual student seminar, which featured presentations by distinguished policy experts followed by small-group discussions. In November, the Institute presented its Founders' Award to Stephen Jarislowsky, Founder and Chairman Emeritus of Jarislowsky Fraser Limited, at a gala dinner attended by 200 people. The award honours business and community leaders for their dedication to entrepreneurship and their support for private philanthropy.



Activités médias au Québec

L'Institut continue de mener des recherches sur les principales politiques publiques adoptées au Québec et de diffuser dans la province les résultats des études menées à l'échelle nationale. L'Institut a publié en 2017 les résultats de trois études importantes sur des questions propres au Québec.

Le *Bulletin des écoles secondaires du Québec*, outil qui suscite beaucoup d'intérêt dans la province, classe 455 écoles privées et publiques, francophones et anglophones, sur la foi des résultats obtenus aux examens obligatoires administrés dans la province. Le Bulletin a fait l'objet de 294 articles dans les médias, y compris un reportage approfondi à la télévision et un encart de 32 pages dans *Le Journal de Montréal* et *Le Journal de Québec* dans lequel on présentait les résultats détaillés par école.

Les auteurs de l'étude *Quebec's Daycare Program: A Flawed Policy Model* concluent, alors que les décideurs politiques des différentes régions du pays étudient le programme de services de garde subventionnés du Québec comme un modèle potentiel, que les coûts ont explosé, que les résultats sur le plan du développement de l'enfant étaient préoccupants et que le temps d'attente pour obtenir une place n'avait pas été éliminé. Depuis la création du programme, le coût par enfant, ajusté à l'inflation, a augmenté de plus de 100%. En raison des coûts croissants, des dizaines de milliers d'enfants demeurent sur les listes d'attente. Cette étude a fait l'objet de 242 mentions dans les principaux organes de presse du pays.

Une autre étude importante, intitulée *Comparaison de la rémunération dans les secteurs public et privé au Québec*, révèle que le salaire des employés du gouvernement du Québec est, en moyenne, de neuf pour cent plus élevé que celui de leurs homologues du secteur privé, et que leurs avantages sociaux étaient plus généreux (prestations de retraite, retraite anticipée et nombre de congés personnels plus élevé). L'étude,

qui a fait l'objet de 60 mentions dans les médias du Québec, indique qu'il est essentiel, alors que le gouvernement cherche à mieux contrôler ses dépenses, de procéder à une analyse minutieuse de la rémunération dans le secteur public.

L'Institut cherche également à communiquer à l'ensemble de la population québécoise les résultats par province obtenus dans le cadre de certaines autres études. Des communiqués distincts intégrant des éléments infographiques ont été publiés au Québec pour une sélection d'études, y compris l'étude *Canada's Past Fiscal Leaders Are Now Fiscal Laggards: An Analysis of 2017 Provincial Budgets* dont les résultats indiquent que le Québec, perçu par le passé comme un mauvais élève sur le plan de la gestion budgétaire, avait pris des mesures efficaces dans le budget de 2017 pour relever les défis auxquels la province est confrontée.

Les membres du personnel et les agrégés supérieurs de recherches de l'Institut ont rédigé de nombreux commentaires qui ont été publiés dans les principaux journaux francophones et anglophones de la province, notamment *La Presse*, *Le Journal de Montréal*, *Le Journal de Québec* et *The Gazette*. Dans l'ensemble, l'étude de l'Institut a généré 860 mentions dans les médias du Québec pour l'année 2017 seulement.

L'Institut a organisé deux activités importantes à Montréal en 2017. En mars, près de 100 étudiants ont participé à notre séminaire annuel et pu entendre certains spécialistes éminents dans le secteur des politiques publiques. Les étudiants ont été, par la suite, invités à discuter en petits groupes. En novembre, l'Institut a présenté le Prix des fondateurs à Stephen Jarislowsky, fondateur et président émérite du conseil d'administration de Jarislowsky, Fraser Limitée pendant son gala annuel auquel avaient été conviées 200 personnes. Le prix rend hommage aux dirigeants d'entreprises et membres influents de la société pour leur soutien à l'entrepreneuriat et aux activités de philanthropie privées.

Municipal Policy

Canadians want to live in world-class, cities that are global leaders—affordable, safe, prosperous, and well-governed. Unfortunately, municipal issues are all too often not at the top of the policy debate. While federal and provincial policies receive plenty of scrutiny, there is little serious research done on municipal governments, and even less is made broadly available to interested Canadians.

To the fill this void, the Fraser Institute established Centre for Municipal Policy Studies three years ago. Since its inception, the centre has played a substantial role in shaping the public discourse on municipal issues, particularly land-use regulations, municipal taxation and spending, infrastructure, and the performance of municipal services.

Amid increasing concerns about housing affordability across Canada, the centre has produced cutting-edge research to better understand the effects of land-use regulation on the Canadian housing market in order to help shift the conversation from being focused largely on demand issues towards increased examination of how municipalities have impeded supply.

Over the past two years, separate studies have been produced examining the stringency of residential land-use regulations in B.C.'s Lower Mainland, Alberta's Calgary-Edmonton corridor, and Ontario's Greater Golden Horseshoe. For example, in 2017 the centre published *New Homes and Red Tape in British Columbia: Residential Land-Use Regulation in the Lower Mainland* which generated over 100 news stories in British Columbia, including a feature on CTV.





One recent example that highlights the impact of this work in shaping the public discourse on housing affordability is that the Canada Mortgage and Housing Corporation (CMHC)—a significant federal government agency—published a study in early 2018, *Examining Escalating House Prices in Large Canadian Metropolitan Centres*, which draws heavily on Fraser Institute research in its exploration of the drivers of home prices.

On the demand side, the Canada Mortgage and Housing Corporation points to historically low interest rates, rising incomes, and a growing population as clear drivers of house prices. This echoes an important study our centre produced in 2017: *Interest Rates and Mortgage Borrowing Power in Canada*, which found that increased borrowing power, brought about by falling interest rates and rising incomes, is potentially the most overlooked and least understood factor influencing home prices across Canada. Our study generated nearly 200 news stories on radio, TV, in print and on mainstream online media websites across Canada.

On the supply side, the Canada Mortgage and Housing Corporation's study dedicated two full pages to summarizing our residential land-use regulation work, which finds that the dramatic growth in prices in Canada's major housing markets is exacerbated by municipal regulations that restrict housing supply, encourage the increase in prices, and adversely affect

housing affordability. As Global TV reported, "Want to fix the unaffordability crisis in Canada's two largest cities? Building more new homes may be a better way to go about it than taxing foreign buyers, the Canada Mortgage and Housing Corporation said Wednesday."

The Canada Mortgage and Housing Corporation's study dedicated two full pages to summarizing our residential land-use regulation work, which finds that the dramatic growth in prices in Canada's major housing markets is exacerbated by municipal regulations.

In 2017, the centre covered many other policy topics including the expansion of rent controls in Ontario, foreign buyers' taxes in Vancouver and Toronto, city charters for Calgary and Edmonton, secondary suites, reforms to the Ontario Municipal Board, and traffic congestion. To emphasize its message, the centre published over 25 timely commentaries in outlets such as the *Globe and Mail*, the *Toronto Star*, *Maclean's*, the Sun media chain, the *National Post*, the *Vancouver Sun*, and the *Calgary Herald*.

Our work is having a clear impact on the public discourse on municipal policy across Canada.



Barbara Mitchell Centre for Improvement in Education

We are very passionate about the quality of education. Canada will only succeed if all children have the tools necessary for success. That's why a high-performing education system is one of our top priorities and why we established the Barbara Mitchell Centre for Improvement in Education with the help of a very generous, multi-year grant from the W. Garfield Weston Foundation.

Guided by senior policy analyst Angela MacLeod, the centre researches ways to improve both elementary and high schools in Canada, focusing on increasing parental choice in education, improving teacher effectiveness, and curricula. The centre also collaborates with the Institute's education programs department to conduct teacher workshops that 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.

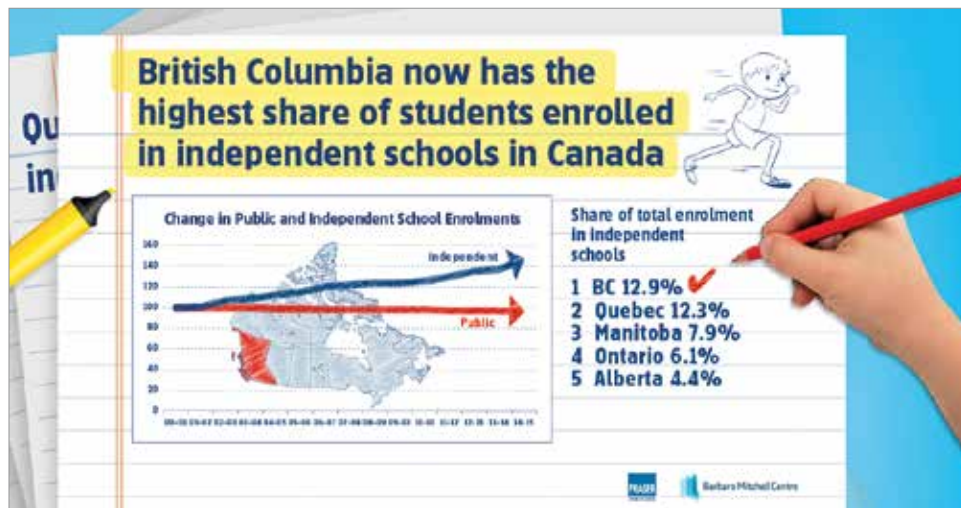
A major part of our work involves dispelling myths that surround education in our country. To help accomplish this, we released two studies in 2017 that compared the after-tax income of families choosing independent schools and families choosing public school. There is an ongoing misconception that independent schools only cater to the very wealthy, but *Comparing the Family Incomes of Students in British Columbia's Independent and Public Schools*, and

Comparing the Family Incomes of Students in Alberta's Independent and Public Schools found that families choosing non-elite independent schools in both Alberta and British Columbia have virtually the same after-tax incomes as families choosing public schools in those provinces.

The centre also undertook a comprehensive, national study with *The Funding and Regulation of Independent Schools in Canada*. As K-12 education is a provincial responsibility, there is variation in how different categories of independent schools are regulated both between provinces, and within them. This study provided a much needed overview of the regulatory landscape within which independent schools operate and will be an important resource for much of our ongoing work.

To help counter several widely believed inaccuracies about the state of education spending in Canada, the centre published the 2017 update to *Understanding the Increases in Education Spending in Public Schools in Canada*, which found that spending on public schools over the past decade increased by \$17.5 billion, and that the lion's share of that increase (nearly 80 percent) went to salaries, pensions, and benefits. Providing the facts has helped changed the false narrative of spending cuts promulgated by teachers unions and activists across the country.

We also took a look at school enrolment across the country in *Where Our Students are Educated: Measuring Student Enrolment in Canada, 2017*. This study tracked student enrolment by type of school—public, separate,



charter, independent, and homeschooling—and found that enrolment in public schools, as measured as a share of total enrolment, has declined in every province since the 2000-'01 school year. Families are increasingly choosing options beyond their neighbourhood public school for the education of their children.

All told, the centre's work generated an impressive 900 media mentions in 2017. Nine infographics, which accompanied the studies, reached over 300,000 people through the Institute's Facebook page alone.

The Barbara Mitchell Centre also authored 26 commentaries during the year which were published a total of 90 times in major media outlets across the country.

In addition to its research and outreach efforts, the centre held two teacher workshops in 2017 that covered myths of the Canadian economy and sports economics. Seventy-one teachers, who collectively reach over 6,300 students per year, participated in these two workshops.



School Performance Studies

For twenty years, the Fraser Institute has provided parents and educators with 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 116 such report cards on schools in British Columbia, Alberta, Ontario, Quebec, New Brunswick, and Washington State.

During 2017, almost 2 million parents and educators visited the Institute's dedicated school rankings website—www.compareschoolrankings.org. To put this number in perspective, there are only about 5,500,000 students in elementary and secondary school in all of Canada.

This easy-to-use website has earned its substantial audience by enabling parents, teachers, and school administrators to make comparisons among schools in their level of academic success. Using such comparisons, parents can make more informed decisions when choosing a school for their children. For educators, the website provides particularly detailed comparisons that can make a valuable contribution to the development of realistic school improvement plans.

Despite this evidence of continued strong demand for school-level performance results—both from parents and from educators dedicated to improvement—provincial ministries of education remain timid about generating them. Perhaps the most important reason for this reluctance is the persistent and vociferous opposition by teachers' unions across Canada to the assembly of any data that enables comparisons of individual schools' effectiveness.





Indeed, twenty years on, the future of school performance studies is insecure. Opposition from teachers' unions pose a real threat to continued publicly access to school performance results.

As it stands, in six of the ten provinces and in all three of the territories, report cards cannot be produced as a result of the lack of objective, comparable, annually-generated student results data. In recent years, ministries of education in British Columbia and Alberta have significantly reduced the quantity of results data that they generate. In Ontario, pressure on the provincial government to reduce or eliminate provincewide testing is mounting. Finally, in Quebec, while the supply of objective secondary school performance data remains stable, there is no indication that elementary school performance measurement will be introduced.

Perhaps, one day, teachers' union officials will see the value in publicly available school performance data. The sooner, the better.

2017 Financial Highlights

- The Fraser Institute's net assets position as at December 31, 2017 was **\$1,422,842**.
- Gross revenues for 2017 amounted to **\$11,076,860**.
- Gross expenses for 2017 amounted to **\$11,073,629**.

The Fraser Institute's financial position and operating results for 2017 are as follows:

Statement of Financial Position – summary as at December 31, 2017

Current assets	\$ 6,715,897
Investments	839,024
Property and equipment	497,541
	\$ 8,052,462
Liabilities – current and long term	\$ 6,629,620
Net assets	1,422,842
	\$ 8,052,462

Statement of Operating Results – summary for the year ended December 31, 2017

REVENUES

Donations, sales of publications, interest and other income	\$ 11,076,860
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EXPENSES

Salaries, office costs, projects, publications, contributions, and other expenses	-11,073,629
Foreign exchange loss and increase in fair value of investments, net	-36,987

Decrease in unrestricted net assets from Operations	\$ -33,756
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Support the Fraser Institute

The Fraser Institute enjoys registered charitable status in Canada and the United States. To maintain our independence, we accept no government funding and we do not engage in contract research. Instead, we rely entirely on donations from concerned individuals, family foundations, and other organizations.

Visit: **www.fraserinstitute.org/donate**

Every dollar that is donated to the Fraser Institute helps us educate Canadians on what policies are required to ensure that all Canadians have the opportunity for the best quality of life possible.

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To learn how best to support the Fraser Institute please call our toll free number **1.800.665.3558 ext. 500** or email us at **development@fraserinstitute.org**

On behalf of the Board of Directors,
I would like to congratulate the Fraser Institute team
for another record-setting year in 2017.

- ▶ The Institute published **85** studies.
- ▶ Our work garnered over **41,000** news stories in the media, a **43% increase** over 2016.
- ▶ We published nearly **1,400** opinion columns in Canadian newspapers – an average of 4 per day.
- ▶ We produced **80** infographics which reached over **5.4 million** people through social media.
- ▶ **4.3 million** unique people visited our websites, an **11% increase** over 2016.
- ▶ Policymakers and politicians across the country federally, provincially, and municipally, regularly made use of and responded to our work.
- ▶ We ran a total of **32** education programs (up from 29 in 2016), which reached over **49,000** students, teachers and journalists in 2017.

These tremendous results are reflected in the University of Pennsylvania recently ranking the Fraser Institute as the number one think tank in Canada (out of 100 policy oriented organizations) and the 11th best independent think tank worldwide.

To our loyal supporters, thank you for your contributions to making these amazing results possible.

~ Peter M. Brown