Business Council of British Columbia

Submission on the Metro Vancouver Regional Growth Strategy

February 5, 2010

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SUBMISSION ON THE METRO VANCOUVER REGIONAL GROWTH STRATEGY

The Business Council of British Columbia welcomes the opportunity to provide comments on the Regional Growth Strategy (RGS) outlined in the draft document, *Metro Vancouver 2040: Shaping Our Future,* published by Metro Vancouver in November 2009. The comments below build on previous Business Council submissions on earlier versions of Metro Vancouver's consultation documents.

By way of background, the Business Council, established in 1966, is an association representing approximately 260 large and medium-sized enterprises engaged in business in British Columbia. Our members are drawn from all major sectors of the provincial economy. Taken together, the corporate members and the associations affiliated with the Business Council are responsible for approximately one-quarter of all jobs in British Columbia. More than three quarters of our members have an active business presence in the Lower Mainland.

General Comments

At the outset, we offer a number of general comments on the November 2009 draft, *Metro Vancouver 2040: Shaping Our Future*.

The Business Council recognizes the challenges involved in developing a long-term growth management strategy for a region as diverse as Metro Vancouver. Sustained population growth, an array of increasingly complex policy issues, geographic constraints, and a large number of independent municipalities in the region all create an environment in which it can be exceedingly difficult to build consensus and meet everyone's concerns. Further, there is necessarily much uncertainty associated with long-term (multi-decade) planning for the region – meaning that Metro Vancouver must try to strike a balance between providing enough flexibility to respond to shifting circumstances while also having enough tools to shape growth patterns, the development of transportation infrastructure, and so on.

In consultation with our members, one theme that emerged is that the current version of the Regional Growth Strategy seems to be more of a "preservationist" plan than a true growth management plan. With forecasts that the region's population will rise by more than one million over the planning horizon, it is odd that the draft strategy is so heavily titled toward preserving the status quo. If the past two decades have taught us anything, it is that steady population growth, high levels of immigration, and a changing global economy are sure to have a major impact on Metro Vancouver in the coming decades – and in ways that cannot be fully anticipated in 2010.

From our perspective, a chief shortcoming of the RGS draft is the very limited treatment of the region's economy and the failure to recognize that a strong and diverse industrial base is essential to residents' standard of living and quality of life. Although the context statement in Section A makes reference to "… a long-term commitment to economic prosperity, community well-being and environmental integrity," it is fair to say that the RGS document as a whole gives scant attention to the region's existing economic structure, nor does it articulate the steps needed to provide for future prosperity. In the vernacular of the Sustainable Region Initiative, the economic leg of the vaunted "three-legged stool" of sustainable development is short, resulting in what charitably can be described as a lopsided "growth" strategy.

Making sure the RGS is aligned with protecting and advancing the economic well-being of Metro Vancouver's 2.2 million residents ought to be a primary concern for policy-makers. This is particularly true given Metro Vancouver's rather weak economic position, as measured by incomes and real wages. Despite having the highest housing costs in the country, Metro Vancouver falls below the Canadian average on both employment earnings and household income. This sobering economic picture warrants attention by local government decision-makers and needs to be acknowledged as part of the backdrop for the RGS.

Median Total Income of Families, Canadian CMAs

CMA	2005 income
Canada	**60,600**
Ottawa–Gatineau	77,000
Oshawa	76,800
Calgary	75,400
Edmonton	72,600
Kitchener	71,100
Windsor	69,700
Hamilton	69,500
Regina	68,500
Thunder Bay	67,200
Victoria	66,900
Kingston	66,400
Greater Sudbury	66,100
London	66,100
Québec	64,900
Halifax	64,700
Saskatoon	63,600
Toronto	61,800
Winnipeg	61,600
St. Catharines–Niagara	60,600
St. John's	59,800
Saguenay	58,900
Vancouver	**58,800**
Montréal	58,600
Saint John	57,000
Sherbrooke	56,100
Abbotsford	55,700
Trois-Rivières	55,100

Source, Statistics Canada. Data are from income tax returns filed in the spring of 2006. Income is after receipt of government transfers and before the payment of income tax.

By our reckoning, just one of the five RGS goals makes any reference to the economy, and even here the treatment is inadequate.

- The Business Council recommends that the wording of the second RGS goal, "Support a sustainable economy," be changed to "**Support a <u>prosperous</u> and sustainable economy".**

We further recommend that the second RGS goal include the following specific strategies, in addition to those already identified in the existing RGS draft:

- Support and maintain a diverse industrial base to strengthen the resilience of the region's economy.
- Encourage economic development to sustain and foster the growth of good-paying jobs and household incomes.
- Recognize and support the region's role as a key component of Canada's Pacific Gateway.

The RGS as just one of a "suite" of eight plans mandated by Metro Vancouver within its broader SRI framework. The other seven plans address matters such as waste management, water, parks greenways and so on. None of these additional plans relates to regional competitiveness, employment, the Gateway and related transportation issues, or indeed to any other aspect of Metro Vancouver's economy. Moreover, the RGS is intended to shape growth in the region for years to come, and presumably it will influence other plans identified in the SRI framework, such as those for air quality and housing. As noted in our previous submission, we believe the RGS should occupy a more prominent position in Metro Vancouver's hierarchy of policies and plans. When stakeholders in the region – or interested parties elsewhere – look for a "signature" document to help them understand the future direction of Greater Vancouver, they will reach for the RGS – not for the liquid waste plan or the drinking water plan.[1] Therefore, it is important that the RGS be designed to provide a coherent and balanced framework for managing growth in the region. The current draft, in our view, falls short of meeting this test.

Supporting the Economic Base is Critical to the Region's Future

The foundation of the RGS is land use management. As such, the document understandably focuses on issues concerning the land base. But it also touches, albeit briefly, on other dimensions of regional development, including the structure of the region's economy, employment, housing, transportation and other related matters. Land use management and strategy are inextricably linked to the industrial structure and the growth of the regional economy. The economic section of the RGS document devotes disproportionate attention to agriculture and provides little or no discussion of the many other industries that drive the economy and support some 1.25 million jobs in Metro Vancouver. Readers of the draft could easily be left with the mis-impression that agriculture is the biggest or most important industry in Greater Vancouver – which is not the case. In contrast to what is suggested in

[1] As there is no regional economic strategy or investment attraction document produced by Metro Vancouver, those who wish to promote the region will need to turn to the RGS or to municipal business attraction materials.

the RGS, the defining characteristic of the Metro Vancouver economy is its diverse industrial structure.

Metro Vancouver Employment by Industry, 2008		
Industry	**Number Employed (000s)**	**Share of Total (%)**
Total employed, all industries	1,241.6	100.0
Goods-producing sector	234.1	18.9
Agriculture	9.6	0.8
Forestry, fishing, mining, oil and gas	4.4	0.4
Utilities	8	0.6
Construction	105.3	8.5
Manufacturing	106.8	8.6
Services-producing sector	1,007.60	81.2
Trade	186.7	15.0
Transportation and warehousing	72.6	5.8
Finance, insurance, real estate and leasing	99.3	8.0
Professional, scientific and technical services	115.9	9.3
Business, building and other support services	58.7	4.7
Educational services	98.5	7.9
Health care and social assistance	115.1	9.3
Source: Statistics Canada, Labour Force Survey		

A principal reason why cities are becoming such powerful economic engines on a global scale is the demonstrated tendency for many kinds of high-value business activity to "cluster" in particular locales. Despite globalization, there is much evidence that the characteristics of local economic environments matter to firm behaviour, employment growth, and the extent and nature of innovation.[2] This underscores the need to pay close attention to the competitiveness of regions, and to the impact that public policies and the quality of infrastructure have on industry structure, business location and investment decisions, and the overall prosperity of major city-regions.

In light of this, we advise Metro Vancouver policy-makers to devote more attention to the competitiveness of the local economy, to how the region is connected with external markets, and to the impact that public policies can have on industry structure, employment opportunities, and business location and investment decisions. Long-term regional planning

[2] Ontario Institute for Competitiveness & Prosperity, *A View of Ontario: Ontario's Clusters of Innovation* (April 2002), esp. pp. 18-34.

should be undertaken through a lens that explicitly considers prosperity, competitiveness, and the needs of employers, with a particular focus on the international connections of local firms and the benefits of expanding employment in industries which produce tradable goods and services. In our experience, Metro Vancouver officials and their political overseers appear to attach a low priority to these fundamental economic considerations.

Transit and Transportation

In our view, the draft RGS also fails to give enough attention to the movement of goods within and through the region, including the maintenance and expansion of vital transportation corridors. The document recognizes the region's role as an international gateway, but the stated goal to "Support Sustainable Transportation Choices" does not capture the critical importance of Gateway-related activity to the region's economy and employment base.

Port Metro Vancouver is Canada's largest port and the fourth largest tonnage port in North America. With business operations in automobiles, breakbulk, bulk, containers and cruise ships, it is the most diversified port in North America. Studies done for Port Metro Vancouver indicate that the Port supports 129,000 jobs in Metro Vancouver -- one in twelve jobs in the region, and closer to one in nine private sector jobs. By this measure, the Port counts as the region's most important economic engine. Similarly, the airport is a major economic driver in the region through its direct provision of employment (27,000 jobs), global connections for people and cargo, and related logistics and services. Indeed, a central feature of Greater Vancouver is the role of the port-rail economy and the airport within the region. In our view, any long-term plan needs to 1) recognize the port and related infrastructure, as well as the airport and the hundreds of businesses linked to it, as a fundamental part of what makes the region's economy "tick," and 2) feature a strong commitment to protect and enhance these vital drivers of the region's economy.

The RGS understandably is concerned with creating density around transit corridors and encouraging the use of transit, which we support. To this end the RGS references better "management of demand and capacity of regional roads network." The Business Council supports the broader use of traffic management technology (including road pricing, more turning lanes, highway entrance signals, synchronized lights, bike lanes, HOV lanes, transit lanes and so on) to help keep traffic flowing in and through the region. However, we are concerned that the plan as now articulated does not adequately address the need for an expanded road network and is overly focused on public transit.

In all likelihood, only a modest share of the one million plus people expected to arrive in Metro Vancouver by 2040 will regularly use transit to commute. As Metro Vancouver's population and economy grow, there necessarily will be more trucks distributing food and other consumer items to retail networks across the region. With increasing numbers of people living, working and shopping in the region, some additional road capacity will be necessary. We recognize that the current strategy calls for "…better management of the demand and capacity of the regional roads network." But the follow-up suggestion, that "[b]y optimizing the use of existing and planned road capacity, the region can avoid unnecessary and capital-intensive expansion in the future," is problematic. We see little risk of "unnecessary" road infrastructure being built in the region; by far the greater risk is inadequate road capacity. The history of the region is that road expansions and investments in road improvements occur long after congestion becomes unmanageable. The RGS should include references to regular monitoring of traffic flows and embody a more proactive approach to traffic management, with particular attention to the need to facilitate the movement of goods. And infrastructure expansion and refurbishment should be identified as a requirement, along with improved demand side management.

We find it curious that plan does not mention the Port Mann/Highway One expansion. This major new infrastructure project will see public transit re-established on the route and help to shape future growth and development patterns. It is a prime example of building much needed and long overdue infrastructure, in combination with demand management policies and enhanced transit service.

We are also concerned about the implications of section 5.1.3 of the draft RGS, which indicates that Metro Vancouver will be working "with Translink and the municipalities to develop a regional parking supply policy, as part of an overall regional Transportation Demand Management Strategy, to provide further encouragement for an increased share of trips by high-occupancy vehicles, walking, cycling and transit." Parking policy should not be developed at the regional level. It is the responsibility of municipalities, reflecting demand related to local development. We caution against placing undue restrictions on parking supply and using it as a tool to manage congestion. Doing so is likely to further drive up parking costs and undermine competitiveness. The City of Vancouver is already facing challenges on this front, as a growing number of businesses are relocating to lower cost municipalities.

Industrial Land

Within the business community there is broad support for RGS Strategy 2.2 to "Protect the region's supply of industrial land." For some time, the Business Council has expressed concern over the loss of the region's rather limited supply of industrial land to alternative uses, including residential development. Inclusion of this Strategy in the RGS is welcome, as it attests to the diversity of the regional economy and the importance of providing a basis for accommodating future population and employment growth.

However, there are also reservations and concerns. Along with firmer delineations around land use there will invariably be further hardening around land use decisions. While protecting scarce industrial land is a desirable goal, we recognize that doing so could unduly restrict development of land suited to various kinds of business activity. It is not clear, for example, whether multi-use zoning (such as industrial with some commercial space) would be permitted on industrial land. Depending on how zoning rules and by-laws are drafted and interpreted, rigid industrial zoning could even prevent the development multi-story industrial buildings or warehouses – which would be undesirable.

Simply proscribing "non-industrial" activities on industrial land may not take full account of the needs of many employers and employees, nor reflect the attributes of the goods they produce. The Business Council does believe it is imperative to preserve lands that will be used for Gateway-related activities and goods-transportation more generally – e.g., to support short-sea shipping, intermodal centres, and trucking and distribution centres.

- In this regard, we recommend that long-term plans for Metro Vancouver include establishing a "Gateway land reserve". Such a reserve would protect land deemed important to Gateway activities and future growth. Explicitly protecting this category of land can also provide more scope and flexibility for the use of other industrial land in the region. This makes sense given the difficulty of predicting which specific types of business and industry will grow – and to what extent – in the coming decades. Again, a balanced growth strategy should aim to maintain a mix of industries.

Another, related priority is to identify and protect regional truck routes connecting all of the key nodes in the Lower Mainland. Given the geographic constraints on land in the region, anticipated population and economic growth, and uncertainty about future industrial structure and land requirements, policy-makers need to commit to ongoing monitoring and study of the demand for land by industry, commercial businesses, and local and senior government agencies.

We are encouraged that the draft RGS Monitoring and Performance Measures include a number of metrics for industrial land (vacancy rate of industrial floor space; inventory of market ready industrial land; inventory of medium and long term industrial land; and, annual absorption rate). The value of manufacturing shipments and the volume and or value of port throughput should also be routinely monitored. It is essential to monitor and track the region's manufacturing sector as well as Gateway activities.

Living and Working in the Same Municipality

RGS Strategy 2.1 aims to "Promote patterns of development that support a diverse regional economy and employment close to where people live." While encouraging people to live in proximity to where they work is a desirable goal, having too many city centres and business districts may be counter-productive for the economic health of Greater Vancouver. Globally, many city-regions have found that success involves accommodating the development of industrial clusters. From this perspective, there are advantages in having some types of businesses co-locate in specific areas instead of being dispersed throughout a region. And it often will prove necessary to attract talent to such clusters from across the region – not just from near-by communities – to sustain their success. These basic business imperatives should be accommodated within the RGS.

As noted in our previous submission, regional planners need to be realistic about the extent to which policy can influence where people choose to reside in relation to their place of employment or education. Increasingly, households consist of two (and sometimes more) individuals who work outside the home. Employers in Metro Vancouver typically attract workers who live in different municipalities, and they purchase business inputs from suppliers scattered across the region. By the same token, even non-exporting firms often sell their goods/services to customers who live in multiple communities within the wider region. Quite apart from employment patterns, individuals residing in one regional community may shop or commute to college/university in another that is ten, twenty or thirty kilometres away. And residents of suburban communities often travel to the city core for work, entertainment or to access specialized health or business services.

For Greater Vancouver, all of this means that many households are never going to meet the planners' ideal of living close to their place of employment or education. Nor should one overlook the trend for people to have multiple careers over the course of a working life, which itself makes it less likely that they will reside and work in the same local community.

That said, we acknowledge the efforts in the RGS to facilitate the movement of people and goods among City Centres and Town Centres throughout the region: strategy 1.2, which seeks to focus growth in urban centres and along transit corridors, the strategies supporting Goal 5, "Supporting Sustainable Transportation Choices," and the province's Transit Plan and Gateway Program.

Urban Containment Puts Pressure on Housing Affordability

The principles behind the draft RGS Goal 1 ("Create a Compact Urban Area") to reduce sprawl, congestion and adverse environmental effects while accommodating the expected increase in residents and workers are similar to principles adopted by other city-regions around North America. However, a particular challenge for Greater Vancouver stems from its geographic setting: proximate water and mountains make for an enviable quality of life, but also limit the possibility for growth.

The trade-offs policymakers will have to make as the region's population continues to grow include recognizing that urban containment boundaries and decisions to set aside large areas of land for recreation and agriculture are at odds with policy-makers' professed goal to provide "diverse and affordable housing." Indeed, a primary reason for high housing costs in Greater Vancouver is the constrained supply of land. Metro Vancouver and its constituent municipalities should carefully review the balance among alternate land uses and consider the wider social and economic implications of designating urban, agricultural and rural lands. With most of the region's land base already classified as "green" or agricultural, the Business Council cautions against decisions that would further reduce the supply of land for economic development (residential, commercial, and industrial).

Fractured Approach to Economic Development

The absence of a regional approach to economic development continues to handicap Greater Vancouver's efforts to address economic issues and market the region as an attractive location for high-value business activity. Policy-makers and community and business leaders need to think more systematically about the economy on a region-wide basis. Regional approaches to economic development, investment promotion and sustainability have been adopted in most other North American city-regions, but have been slow to emerge in Greater Vancouver.

We see advantages in doing more work on economic development at a regional level, even if this is done outside the current RGS process (or Metro Vancouver's official administrative structure). A broadly supported regional economic strategy would assist in clarifying the goals in the RGS, particularly on land use and transportation planning. We echo the argument made in the Vancouver Economic Development Commission's 2007 *Business Climate Report*[3], that a regional economic development strategy must include a coordinated marketing and promotion function. Such efforts are best pursued regionally in order to effectively market the region to outside companies, investors and site selectors. A challenge for Metro Vancouver policy-makers is to recognize the changing global economic environment in which the region now operates and to develop a framework that will help Greater Vancouver become known not just as a desirable place to live, but also as a dynamic urban economy in which to invest, to create wealth, and to build successful businesses.

Two essential elements of regional economic development are the strategy itself and its companion use as a marketing and investment attraction tool. Concerning the first element, to date the sustainability dialogues promoted by Metro Vancouver have been preoccupied with environmental and to a lesser extent social concerns, with little attention given to economic underpinnings of a thriving urban region. Yet as the VEDC's 2007 *Business Climate Report* correctly observed, "… public amenities and services, the social safety net, health care, education, and culture all rely on strength in the economy."[4] The reason for working toward a coherent regional economic vision is not to place it in conflict with the

[3] Vann Struth Consulting Group and Eric Vance & Associates, "Blue Ribbon Council Report for the City of Vancouver Business Climate Strategy," prepared for the Vancouver Economic Development Commission and included as part of its *Vancouver Business Climate Report* (October 2007).
[4] Vann Struth Consulting Group *et al*, "Blue Ribbon Council Report for the City of Vancouver Business Climate Strategy," (October 2007).p 17.

environmental and social pillars of sustainability, or to undermine the powers of municipalities. Instead, it is to advance the prosperity of the region so that the social and environmental dimensions of sustainability are reinforced by a successful and competitive economy. Given the governance structure and political culture of Greater Vancouver, it may be that a regional economic development strategy can only be pursued outside the framework of Metro Vancouver.

Concerning the second element, at present Metro Vancouver invests no resources in promoting and marketing the region to attract investment and high-value business activity, and its component municipalities have allocated only limited budgets to do so. Casual observation suggests that large competitor city-regions in North America maintain more robust economic development and marketing programs. This is one area where Greater Vancouver clearly is falling behind.[5] Our own research indicates that the region's economy rests on a foundation that is less sturdy than many think. While globalization has boosted trade opportunities and created markets for finished goods, commodities and resources – either generated in or flowing through the Greater Vancouver Gateway – it has also served to increase the competitive pressure on local firms and has left the region vulnerable to economic fluctuations in other parts of the world.

Metro Vancouver Commerce is a recently established vehicle to promote regional economic development. It was spearheaded by the Vancouver Economic Development Commission and currently has seven other municipal partners. While we are aware of the political sensitivity around Metro Vancouver taking any sort of lead role in economic development, we encourage all local municipalities to support Metro Vancouver Commerce and to address the regional aspect of economic development in their planning. From our perspective, the structure and activities of the Puget Sound Regional Council in Washington State are of interest. This Council is responsible for regional transportation, land use and economic

[5] An analysis was conducted several years ago that indicated Seattle, Portland, Calgary and Edmonton invest between two and twenty times the amount per capita that the Lower Mainland does in economic development and promotion. Elvy Del Bianco, "The Regional Competitive Stage: North American Economic Development Organizations," Presented to Economic Leadership Forum, November 15, 2004.

development and has also established a long-term regional growth plan titled *Vision 2040*. With economic development as part of the organization's mission, the economy and prosperity are important elements of the plan. It appears, however, that the "heavy lifting" on the economic development front is done by an independent coalition of government, business, labour and community organizations called the Prosperity Partnership.

It is also interesting to note that it is necessary to have a comprehensive economic development strategy in place in order to receive funding from the Federal Economic Development Administration. To meet this requirement, the Puget Sound Regional Council adopted the Economic Development Strategy created by the Prosperity Partnership. While we appreciate that it may be difficult for Metro Vancouver to secure funds from higher levels of government (especially in the current fiscal setting), similar funding and requirements would provide an incentive for regional cooperation in the area of economic development.

Additional Thoughts

The draft RGS includes targets for greenhouse gas reductions. While greenhouse gas emissions are a global issue, we recognize that change must also take place at the local level. However, the Business Council has expressed concern over the regulatory patchwork and layering of policies and targets pertaining to managing GHG emissions. To the extent that targets are part of GHG policy, we believe they should be at the provincial and even more so at the federal level.

The RGS does not mention the subject of immigration. Even though immigration policy is well outside the bounds of regional and local governments, the RGS should include some discussion of the expected composition of population growth and the importance of relevant policy initiatives such as language training and credential recognition and other programs to assist in integrating newcomers into the local economy and job market.

Metro Vancouver policymakers must be sensitive to how the decisions of local governments affect the cost of doing business, the competitiveness of firms, and the costs facing taxpayers.

- In this regard, we recommend that the RGS include a commitment to carefully manage Metro Vancouver's expenditures, including outlays on capital projects, to ensure value for money and safeguard the interests of regional taxpayers.

We also offer a few comments on the proposed monitoring and performance measures. As a general point, many of the suggested metrics are vague. The parameters for monitoring should be as clearly defined as possible. For example, under strategy 4.1, in order to track the "[i]nventory of rental units affordable to households with low income (below 50% of the median income for the region)", it is necessary to determine what "affordable" means. Furthermore, does this inventory include secondary suites, which in some municipalities make up a sizable part of the housing stock but are difficult to measure? Similarly, what is meant by "proximity" in tracking the number of residents "living in proximity to a community or recreation centre, school, or library"? The "percentage of growth occurring in established urban areas" – is this an estimate of the addition to the population residing in urban areas, the value of residential building permits in urban areas, the value of all building permits or some other measure of growth?

In developing a comprehensive set of metrics that will assist in tracking success of the RGS it may be important to more fully consider why some things are being measured and whether it is important to include historical data (where available) to provide context. With respect to industrial land, one of the proposed metrics is vacancy rate of industrial floor space. While this is fundamental indicator used to gauge market conditions, annual changes are more of a reflection of business and investment cycles rather than long-term trends. And in the context of the RGS it is not clear if higher vacancy rates are good or bad. High and rising rates would reflect weakness in industrial activity (which is generally undesirable). On the other hand, low vacancy rates would signal an inadequate supply of industrial space and rising rental costs, which may also be unwelcome.

A number of the performance measures include local employment numbers. However, measures of job and labour force numbers by "subregion" (presumably municipalities within the metro area) are not available annually. As far as we know, the only labour force information available at this level comes from the census, which is taken every five years. With respect to measuring total number of "jobs by sector," is this the number of employees or does it include self employment as well?

We believe that a number of other economic performance measures should be included:

- As noted earlier, the value of manufacturing shipments in the region;
- Measures of Gateway activity such as volume of Port throughput and airport cargo;
- Median family incomes and median earnings;
- Employment earnings, average total wages, and average private sector wages.

We note that the RGS does not include any discussion of the tax base and the challenges of financing regional and municipal services. In common with other local governments, the region must grapple with the fact that cities in Canada have a very limited tax base (essentially property tax and development fees). This has contributed to the conversion of commercial properties to residential use and put more pressure on commercial and industrial land. A limited tax base also makes it harder to raise funds to finance regional transit on a sustainable basis. As the RGS is supposed to be a long-term planning document, we believe it should acknowledge the fiscal challenges facing local governments and include some discussion of the need to expand or restructure the revenue sources available to municipalities.

Finally, as the Business Council has documented in numerous publications and presentations, the Greater Vancouver region does not score particularly well on a number of key indicators of economic success. Relative to size of population and GDP, regional exports are lower than elsewhere in the country and clusters of traded industries tend to be weak. Labour productivity and employment income are lower than in most other large Canadian cities. The region also stands out for its very poor record in maintaining – let alone growing

– head office employment.[6] While the draft RGS touches on a number of topics that influence the regional economy, it falls short in its treatment of the economic and competitive environment which we believe will do much to define the region's future, particularly from the vantage point of households and residents dependent on generating income from employment.

The Business Council appreciates this opportunity to provide comments on the draft Regional Growth Strategy.

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[6] Jock Finlayson and Karen Graham, "Corporate Headquarters and Head Office Employment in British Columbia: 2006 Update," Business Council of British Columbia (December 2006); Desmond Beckstead and W. Mark Brown, <u>Head Office Employment in Canada, 1999 to 2005</u>, Statistics Canada catalogue No. 11-624-MIE (July 2006).